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Users Get Going On SP2 Rollouts

Corporate deployments of XP security update
widen, but IT execs cite lengthy app testing

BY CAROL BLIWA

Many corporate users dragged their feet in testing beta versions of the security-focused Service Pack 2 update for Windows XP and still had plenty of application compatibility testing to do when Microsoft Corp. released SP2 last August.

But a random poll of IT managers conducted by Computerworld last week, plus anecdotal evidence from industry analysts, indicates that far more companies are

making significant headway in deploying SP2 or are preparing to do so.

Twenty-three of the 30 users who responded to the e-mail poll said they have started to deploy or have installed SP2 on existing machines, are rolling it out on replacement and new PCs, or are finishing testing and planning work that will enable them to install SP2 in the coming months.

Testing SP2, page 47

INSIDE



Memorial City, such as Philadelphia's Suncoast Mall, are turning IT into a high-profile, revenue-producing operation. By Matt Hunsicker, PAGE 35

POLITICAL Animals

NEWSWIRE

SPECIAL REPORT

How the IT industry is responding to the threat of cyberattacks. This feature reports on the latest trends in IT security.

AVERAGE WAGE FOR H-1B WORKERS IN
COMPUTER SYSTEM TECHNICAL SUPPORT JOBS

\$58,993

\$54,415

\$51,947

DID I TAKE
JOB?

Search Engines Give Hackers a New Tool

Malicious coders use
Google, other sites to
find IT flaws on Web

BY JAIKUMAR VIJAYAN

The growing use of search engines to spread worms or find vulnerable IT targets poses a threat to companies that aren't careful about the data they make available on the Web, IT managers and analysts said last week.

The cautionary note follows the Feb. 17 release of a

new variant of the MyDoom mass-mailing worm, which was programmed to spread itself by harvesting e-mail addresses from search engines such as Google, AltaVista and Lycos.

"The ability of search engines to discover a lot of information that was not necessarily hidden but was a lot less available previously is scary," said Matt Kesner, chief technology officer at Mountain View, Calif.-

based law firm Fenwick & West LLP.

The latest worm was similar to MyDoom-3, an earlier variant that flooded search engines with automated e-mail address search requests last July — briefly disrupting the availability of Google Inc.'s Web site. In addition, in December a worm called Saminy used Google to identify and attack vulnerable systems by looking for specific text on Web sites powered by an open-source bulletin board application.

The appearance of such worms indicates that "Google hacking" Hackers, page 46

ONLINE



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Viktor Portmann

Project Manager, Department of Foreign Affairs, Switzerland

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ONLINE

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WEB SITE MANAGEMENT: IT manager Susan Kennedy details the main risks of Web applications and explains how to mitigate them. **Q LinkLink 82769**

U.S. Should Welcome EU Privacy Drive

OPINION: U.S. companies should thank the Europeans for their push toward short, multilayered privacy policies that people will actually read, says business privacy expert Jay Cline. **Q LinkLink 82771**

Avoid Job Search Blunders

CAREERS: Technology has radically changed the way people seek employment. Robert Half Technology's Katherine Spencer Lee offers some suggestions for making those tools work for you. **Q LinkLink 82777**

Coping With Change

IT MANAGEMENT: Dealing with the effects of change on employees was a pillar of one AAA chapter's enterprise portfolio management program. **Q LinkLink 82781**

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THE H-1B EQUATION

Salary data shows split with wages of U.S. workers

BY PATRICK THIBODEAU

Next week, the U.S. government will begin accepting H-1B applications from companies that want to take advantage of an increase in the fiscal 2005 visa cap to hire foreign workers who have advanced degrees from U.S. universities.

Up to 20,000 new H-1B visa slots are becoming available. Opponents of the cap increase

SPECIAL REPORT

say the graduates being hired will take jobs from U.S. workers, including IT staffers. Supporters argue that foreign workers are important to the country's economic health. At the core of the debate lies a question that's likely to re-emerge as the application process begins again: Do H-1B visa holders help or hurt the U.S. workforce?

A Computerworld analysis of wage data from approximately 290,000 H-1B applications filed with the U.S. Department of Labor shows that H-1B salaries declined across the board between the 2001 and 2003 federal fiscal years in a number of IT job categories. They include programming, systems analysis, networking, end-user support and quality assurance. The wage decline mirrored what was happening to the pay of U.S. IT workers

— at least until 2003, when the salary trends diverged, according to research firm Foote Partners LLC.

The government's Labor Condition Application database provides data only on new H-1B visa applicants and visa holders seeking a change of status. In addition, the La-

bor Department lumps the information into job categories that don't easily match with jobs in the private sector. Moreover, the government doesn't track visa holders and doesn't know the rate at which H-1B visa holders lost jobs in proportion to U.S. workers.

But David Foote, president and chief research officer at Foote Partners, said there was a split in 2003: The salaries of U.S. workers increased, while H-1B wages continued downward. That finding comes from comparing the H-1B data compiled by Computerworld and processed by Eastland Data Systems Inc. with salary information that New Canaan, Conn.-based Foote Partners collected through surveys of about 46,000 private-sector and government IT professionals.

In the category covering data communications and networking jobs, for instance, U.S. salaries rose 6.2% in fiscal 2003, Foote said. H-1B salaries declined 2% during that period, according to the Labor Department data. Foote said U.S. salaries in other IT job categories grew at rates ranging from 1.5% to more than 6%, while H-1B salaries saw declines of 1% to 5%.

In 2003, "the economic recovery began in earnest," Foote said. Salaries for U.S. workers increased because

H-1Bs Help U.S. Economy, Says Book Author

N. Sivakumar

FOOTE PARTNERS
ANALYSIS OF H-1B
SALARIES, 2001-2003

companies were trying to hold on to IT staffers who hadn't been laid off during the technology spending downturn, he noted. Meanwhile, offshore outsourcing increased, as did the use of contract companies that rely on H-1B visa workers.

Because clients didn't want contract-labor costs to eat into their offshore savings, contractors had to be competitive, according to Foote. "If they can't convince the client of their value to pay more for the talent, then they just have to get the talent cheaper," he said.

The fight over H-1B visas ultimately revolves around the opinions and experiences of IT managers and workers. Jesus Arriaga, CIO at Keystone Automotive Industries Inc., an auto parts distributor in Pomona, Calif., is among those questioning the need for more H-1B visas. In prior jobs in California in the late 1990s, he worked at companies that used H-1B workers, who were typically paid less than their U.S. counterparts. "It's just like offshoring," he said. "You're probably going to get similar skills at a lesser cost."

Nonetheless, Arriaga said that at Keystone, he's more interested in hiring U.S. workers, "especially when you have colleagues that have not found work." When U.S. workers "get bypassed because other foreign workers are coming in

IT WAGE DATA 2001-2003

Job Category	2001	2002	2003
030
031
032
033
034

When the H-1B visa expires, the employer must file a petition to extend it.

Department of Labor. "We're not going to be able to do that," says the director. "What we're going to do is to make sure that the H-1B visa holders are not being exploited."

Under the new rules, employers must pay H-1B workers at least the prevailing wage for the occupation in the geographic area where they are working.

MORE 'DUDE'

Q&A

and taking their jobs, I don't think that's right," he said.

Russell Lewis, CIO at GPI Group Inc., a New York-based financial services firm, has hired H-1B workers as full-time employees and has sponsored them for permanent residency green cards. Lewis said

that his goal is to hire the best person for a particular job and that he has seen no savings in hiring H-1B workers full time.

"By saying, 'Well, the H-1B workers bring a cheaper labor force to the U.S.' typically, our experience is that it doesn't do that," Lewis said.

Some H-1B workers attribute wage problems to IT contractors — sometimes called "body shops."

A Labor Department employee who works in the H-1B program and asked that his name be withheld said most complaints concern contrac-

tors who either paid H-1B employees below the prevailing wage or "benched" them, meaning they weren't paid between contracts.

Rajiv Dabhadkar, a former H-1B visa holder and IT programmer who returned to India last year, said he was always paid below prevailing wage levels by contractors. In addition, he once found out that he wasn't receiving medical insurance even though there was a paycheck deduction for the benefit.

"I've been really hurt by the visa system," said Dabhadkar, who formed a group in Mumbai, India, called NoStops.Org that provides call center support to H-1B and other tech workers.

The 20,000 additional H-1B visas will become available on March 8. Other changes to the H-1B program will also go into effect in the next few weeks, including a revamping of the government-mandated two-tiered prevailing wage system under which visa holders are paid.

H-1B workers are supposed to be paid a prevailing wage, based on state, federal or private-survey employment data. Most companies use federal or state salary data, according to immigration attorneys, who said the current system doesn't give employers much flexibility — often forcing them to pay a wage that is

higher than an employee's skills and training warrant.

On March 8, the law will be changed to allow four tiers of pay in each prevailing wage category, enabling companies to pay H-1B visa holders something between the top and bottom levels of the prevailing wage scale.

"It has been a virtual nightmare dealing with a two-tier system," said David Nachman, an immigration attorney in Saddle River, N.J. "What we're seeing now is [that] finally the Department of Labor is coming to an understanding of what the real world is."

But Ron Hira, an assistant professor of public policy at the Rochester Institute of Technology in New York, said the four-tier system "will only push wages down... for many of those workers that were probably in between the two [tiers]."

Another change next month requires employers to pay 100% of a prevailing wage for new and extended H-1B petitions. That rate is now 95% of the prevailing wage. Also, the fees for an H-1B application, including the cost of accelerated processing, will rise from \$185 to \$3,185.

Frida Glucoft, a partner at Mitchell Silberberg & Knapp LLP in Los Angeles and chair of the law firm's immigration department, said the prevailing wage and application fee increases will likely discourage some companies from hiring H-1B workers.

Still, Glucoft expects the 20,000 new visas approved by Congress last fall to be gone in a week. **■ 52802**

THE H-1B EQUATION

split

BY PATRICK THIBODEAU

Next week, the U.S. government will begin accepting H-1B applications from companies that want to take advantage of an increase in the fiscal 2005 visa cap to hire foreign workers who have advanced degrees from U.S. universities. Up to 20,000 new H-1B visa slots are becoming available.

Opponents of the cap increase say the graduates being hired will take jobs from U.S. workers, including IT staffers. Supporters argue that foreign workers are important to the country's economic health. At the core of the debate lies a question that's likely to re-emerge as the application process begins again: Do H-1B visa holders help or hurt the U.S. workforce?

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H-1Bs Help U.S. Economy, Says Book Author

N. Sivakumar's book *Dads, Did I Steal Your Job? Debugging Indian Computer Programmers* (Diverse Tree, 2004) is an account of his experiences as an H-1B worker in the U.S. The book offers an inside look at the visa program and lays out a case for its use by employers. In an interview with Computerworld, Sivakumar discussed the issues raised in his book.

The first part of your book title is very in-your-face.

companies were trying to hold on to IT staffers who hadn't been laid off during the technology spending downturn, he noted. Meanwhile, offshore outsourcing increased, as did the use of contract companies that rely on H-1B visa workers.

Because clients didn't want contract-labor costs to eat into their offshore savings, contractors had to be competitive, according to Foote. "If they can't convince the client of their ability to pay more for the talent, then they just have to get the talent cheaper," he said.

The fight over H-1B visas ultimately revolves around the opinions and experiences of IT managers and workers. Jesus Arriaga, CIO at Keystone Automotive Industries Inc., an auto parts distributor in Pomona, Calif., is among those questioning the need for more H-1B visas. In prior jobs in California in the late 1990s, he worked at companies that used H-1B workers, who were typically paid less than their U.S. counterparts. "It's just like offshore," he said.

"You're probably going to get similar skills at a lesser cost," Nonetheless, Arriaga said that at Keystone, he's more interested in hiring U.S. workers, "especially when you have colleagues that have not found work." When U.S. workers "get bypassed because other foreign workers are coming in

SPECIAL REPORT

IT WAGE DATA 2001-2003

JOB CODE	FY 2001 AVERAGE H-1B	FY 2002 AVERAGE H-1B	FY 2003 AVERAGE H-1B	% CHANGE '01-'02 H-1B	% CHANGE '01-'02 U.S. IT	% CHANGE '02-'03 H-1B	% CHANGE '02-'03 U.S. IT
030	\$80,357	\$80,554	\$99,701			-1%	+1.0%
031	\$80,234	\$87,041	\$96,136			-2%	+1.2%
032	\$83,024	\$48,082	\$48,882			-2%	+0%
033	\$58,933	\$54,416	\$51,947			-1%	+1.8%
039	\$88,783	\$64,883	\$64,247			-1%	+1.0%

030	032
031	033
039	039

CREDIT

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ONLINE DESIGN BY A TEAM

What are you trying to accomplish with that? A lot of people think that people like me can come here and steal the jobs. People really never talk about the benefits that H-1B visa holders brought to this economy. The book is about Indian programmers and the nature of the visa holders. It's about abuse from the other side—about that nobody wants to talk about in public.

What abuse did you face? I never faced anything personally. But whenever I go down, I find a lot of hatred. That's what troubles me. Also, if you look at programs like CNN's *Low Dabbie*, he never talks about the benefit these folks bring to the economy.

Opponents believe H-1B visa holders are being used to push down the wages of U.S. IT workers. What's your view? I agree with that. "Body shops" about H-1B visa users—they bring in people for very low cost. But not all H-1Bs are abused. This mostly is brought in to fill a gap. I came here as an electronic design automation programmer. H-1B workers definitely brought the salaries down, but they brought the right people in at the right time.

Do major companies pay reduced wages, or just the body shops? The

body shops are the ones who pay low. When I was hired, I was paid exactly the salary I was promised.

Of the total number of H-1Bs in the U.S., what percentage do you believe work at IT contractors? That major body shops employ about 10% to 15% of the H-1Bs, but big companies like Microsoft, Oracle, Cisco hired the rest—these folks don't abuse them. These folks pay the right salaries and give all the benefits.



Q&A

Since H-1B holders are increasing the supply of workers, shouldn't Americans who can't

find jobs feel some resentment? An H-1B worker should not replace an American worker. That's ethically wrong, lawfully wrong—it's wrong from any angle. When I was hired, nobody was laid off.

What are your plans now? I got my green card. I will be a U.S. citizen. This is what I want, the freedom. But I'm a programmer first. I'm not an author—my C++ is better than my English.

—Patrick Thibodeau

MORE 'DUDE'

For an extended version of this interview go to www.computerworld.com

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and taking their jobs. I don't think that's right," he said.

Russell Lewis, CEO at GH Group Inc., a New York-based financial services firm, has hired H-1B workers as full-time employees and has sponsored them for permanent residency green cards. Lewis said

that his goal is to hire the best person for a particular job and that he has seen no savings in hiring H-1B workers full time.

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higher than an employee's skills and training are worth.

The Minis has the firm will be charged to allow future H-1B programs to have more wage categories, a rubric computerized by H-1B visa holders something between the top and bottom levels of the prevailing wage scale.

It has been a couple of months since a two-tier system," said David Naughton, an immigration attorney in Saddle River, N.J. "What we're seeing now is that it finally the Department of Labor is coming to an understanding of what the real world is."

But Ron Hara, an assistant professor of public policy at the Rochester Institute of Technology in New York, said the four-tier system "will only push wages down, not for many of those workers that were probably in between the two tiers."

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RUSSELL LEWIS
CEO of GH Group Inc.

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Still, Glucoft expects the 20,000 new visas approved by Congress last fall to be gone in a week. **Q 52802**

Foreign Students Fill Computer Science Graduate Programs

An argument cited by H-1B supporters for raising the visa cap stems from the high number of foreign students—especially from China and India—who come to the U.S. to study.

Foreign student enrollments account for about 70% of the masters and Ph.D. computer science students at Texas Tech University, according to John Bornell, dean of the graduate school at the 28,000-student university in Lubbock. Last year, the number of foreign students who applied for graduate admissions was more than three times the number of U.S. residents who did so, Bornell said.

In 2001, the most recent year for which figures are available, foreign students made up nearly 80% of graduate enrollments nationwide, according to the National Science Foundation. Bornell said U.S. students aren't as interested in engineer-

ing and science studies as foreign students are. "We are not preparing our students out of high school to compete in the area of science and engineering very well," he said.

Most of the students enrolled in the New Jersey Institute of Technology's graduate program are foreign nationals. The Newark-based school has so far received 208 applications for admission in computer science master's degree programs next year, with about 165 of those applications from foreign students, said Stephen Seidenman, dean of the school's college of computing science. The foreign students "will do everything they can to stay here," he said.

Typically, foreign graduates of U.S. universities get a one-year training visa after graduation and then seek an H-1B visa.

Rock Regan, former CEO for the state of Connecticut, said

state agencies typically don't hire H-1B visa holders because of political concerns. But Regan thinks U.S. schools are "not putting out the number of qualified workers that the industry needs."

Despite the addition of 20,000 more visas for the current fiscal year, the H-1B cap is still less than half of its 195,000-visa peak. Regan suspects that the reduced number of visas will encourage offshore outsourcing of IT jobs. Offshoring "will become more of a reality if people can't get the talent here in the U.S.," he said.

Opponents see any increase in the number of visas as having an impact on the prospects of U.S. students. Norman Matloff, professor of computer science at the University of California, Davis, and a longtime critic of the H-1B visa program, said it's largely a matter of supply and demand. The more H-1B workers there are, the less opportunity there is for his students, Matloff said.

—Patrick Thibodeau

AT DEADLINE

Exec: HP Needs Gerstner Clone

If Hewlett-Packard Co. could clone IBM's former CEO Lou Gerstner, the beleaguered company would have the leader it needs after Carly Fiorina's election as CEO and chairman earlier this month, said HP Executive Vice President Mike Wheeler. "We want strong operational leadership and hands-on execution capability," he said. (For more details, go to our Web site: QuickLink.52948.)

IBM Restates 2004 Services Revenue

IBM reduced the 2004 revenue figure for its Global Services unit by \$200 million after discovering improper sales of third-party hardware at its Japanese unit, the company said in a U.S. Securities and Exchange Commission filing. A review of third-party agreements discovered that "certain IBM Japan employees acted improperly and inconsistently with IBM's policies and practices," IBM said.

EDS to Shutter 21 Data Centers

Electronic Data Systems Corp. plans to close 21 data centers in an effort to cut costs. EDS said it will close 17 centers in the U.S. and four in Europe. The outsourcing announced last year that it planned to cut 15,000 to 20,000 jobs over the next two years.

Qwest Sweetens Its Bid for MCI

Qwest Communications International Inc. made a new bid for MCI Inc. in an effort to lure MCI away from rival Verizon Communications Inc. Qwest's new \$8 billion offer matches Feb. 14 bid but guarantees the purchase price and would allow a faster payment to MCI stockholders than its previous bid. MCI executives have accepted a \$6.7 billion bid from Verizon, but Verizon's bid doesn't guarantee the purchase price.

ON THE MARK



SAP Brings Mercury Into NetWeaver's ...

... application development orbit. According to Christopher Lockhead, chief marketing officer at Mercury Interactive Corp., the Mountain View, Calif.-based company's LoadRunner application stress-testing tool should be fully integrated into SAP AG's Net-

Weaver application development and integration suite by Q2. That means programmers working with NetWeaver will get to run LoadRunner's tests, at no extra cost, to determine how well their applications will perform under ever-increasing workloads. Although SAP paid Mercury to port LoadRunner to NetWeaver, Lockhead insists this isn't simply work for hire. He expects the deal to increase adoption of NetWeaver and Mercury's other testing tools. Mercury saw a 144% increase in sales of its J2EE application-testing software last year, Lockhead claims. Most of the sales were for IBM's WebSphere and BEA Systems Inc.'s WebLogic product lines. But, he says, NetWeaver is gaining ground.

Sart through millions of security events ...

... daily in a flash while keeping an eye on compliance issues. So

promises Rani Merritt, senior vice president at ArcSight Inc. in Cupertino, Calif. She claims that ArcSight's Enterprise Security Manager software can sift through more than 100 million security alerts from network devices in a single day and, in real time, determine which alarms you need to care about. Later this year, the company will deliver prepackaged agents for Oracle Financials to help users oversee their adherence to regulations. For example, ArcSight plans to ship in May an agent designed to help health care providers stay in line with the data privacy mandates of the Health Insurance Portability and Accountability Act. In Q3, it plans to add an agent that supports compliance with the Sarbanes-Oxley Act. Merritt also hinted at another possible ArcSight event in 2005 — the company's initial public offering.



NetWeaver

HOT TECHNOLOGY TRENDS, NEW PRODUCT NEWS AND INDUSTRY GOSSIP BY MARK LALL

Bookmark an IT tool kit in your ...

... browser by adding Information Technology Toolbox Inc.'s Web site to your favorites list. Dan Morrison, CEO of Scottsdale, Ariz.-based ITToolbox, claims that his online resource for all things IT is different than, say, Computerworld.com or Google. For one thing, he says, the blogs and forums are written by technology practitioners, not mostly journalists. And trying to locate good advice is less dicey than it is via Google searches, Morrison claims.

"Rather than help people find a needle in a haystack, ITToolbox is providing a stack of needles," he says pitifully. Although with 850 discussion groups active on the Web site, that's a lot of needles to sort through. Expect ITToolbox to add support for Wikis — those Web pages that let anyone contribute thoughts on a subject. Morrison says coy as to when they might appear, but you should see them before the end of the year.

"As long as I count the votes, what ...

... are you going to do about it?" That was Ben Twined's question to those wondering about the veracity of a 19th century election in New York. Today's Web analytics "experts" could ask the same question of marketers, who seek objective insights into usage data from their Web sites. Perhaps the Analytics Association (WAA) in Washington will help. At

least, the new industry group might bring consistency to the methods that Web traffic analysts use to tally their numbers. For example, "conversions" aren't counted the same way on most sites. Worse, the word doesn't even mean the same thing on different sites. Jim Sterns, the WAA's president, says the

\$367M

Forecasted revenue of 2005 Web analytics market

group "needs to end user skepticism." Sterns thinks it's essential that Web analytics users speak the same language — and count the same way. That's why the

WAA's first project will be developing standard definitions and methods for Web analytics. Sterns hopes that the bulk of the work will be done by 2006. He says that given the volatile nature of both technology and language, the standard definitions "will be a live document." But counting methods, one hopes, will be written in stone. You know, 1...2...3...6...

Secure your remote user access ...

... using Active Directory. Of course, you'll need a third-party tool, such as the secure messaging appliances from enKoo Inc. in Fremont, Calif., according to enKoo CEO Ajit Deora. "Active Directory has a very primitive level of authentication," Deora claims. This week, enKoo plans to release an upgrade that lets its appliances use existing Active Directory lists to authenticate users on SSL VPNs that the devices set up. An enKoo 2000 appliance starts at under \$3,000. ☎ 52769

Upgraded remote appliances support Active Directory.





FS NOTE:

Even if everyone knew about the problem, would anyone know the solution?

As every aspect of business migrates to the Web, sensitive information once sheltered is now exposed. Because browser-based applications pass through the entire security perimeter.

If that doesn't wrinkle your brow, in a recent study 70 percent of companies reported security intrusions, with an average of 136 annually.

The only real answer is a solution that knows exactly what your application's traffic should look like, and blocks everything else. A comprehensive solution that gives you complete control over who

gets access from where and when, that can actually identify and filter application-level cyber attacks.

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BI Tools Gain Higher Rank in Enterprises

Companies seek to provide more data to more users

BY HEATHER HAVENSTEN

BUSINESS intelligence tools are pushing deeper into the enterprise as companies use them in projects ranging from large-scale user deployments to systems that supply key data to executive decision-makers.

Many companies are replacing disparate reporting tools with enterprise-wide technology while adding corporate performance management (CPM) software to boost the visibility of transactional data.

For instance, the University of North Carolina system, which consists of 16 public educational institutions, chose Information Builders Inc.'s WebFocus technology for enterprise reporting that will eventually be used by more than 200,000 users. Chapel Hill, N.C.-based UNC has completed 30% of a project launched in September to replace several different tools, including Crystal Reports from Business Objects SA, on its various campuses, said Vijay Verma, UNC's associate vice president for information resources and associated CIO.

Vendors Respond

Meanwhile, vendors are moving to meet user demands for new BI tools that can link disparate sources of performance data.

Hypertion Solutions Corp. this week will unveil its Compliance Management Dashboard, which marries internal control data with financial data to help companies track compliance with the Sarbanes-Oxley Act. The new dashboard will accompany the

unveiling of a new version of Hypertion's performance management offering.

Earlier this month, Actuate Corp. rolled out the Actuate Financial Performance Management Suite.

Spectra-Physics Inc., a Mountain View, Calif.-based manufacturer of laser systems, has been using an earlier version of Hypertion's performance suite to integrate inventory data from multiple systems into dashboards.

"The [dashboard] application provides summary and detail-level visibility to inventory worldwide," said Mark Rowell, Spectra's IT director.

Toronto-based Labatt Brew-

eries of Canada is deploying CPM tools from Ottawa-based Cognos Inc. to give sales, marketing and finance organizations across the country access to data pulled from 11 systems and 74 transaction sets. The company went live with the first phase of its deployment in October, said Michael Ali, Labatt's enterprise BI manager.

"We are trying to drive targeted performance management—getting everybody looking at the same things... throughout the chain of command, down to the territory manager," Ali said.

Blue Cross and Blue Shield of Kansas City in Missouri

Dashboard Deployments by Company Size



• Not considering • Considering • Implementing
Using less than one year Using more than one year

next month will migrate to the Business Objects XI BI end performance management platform to replace four reporting products for 275 users, said BI architect Erik Brokaw.

The health care organization expects the system to

support as many as 450 users by the end of March.

Blue Cross and Blue Shield of Kansas City will also use Business Objects' CPM tools to begin giving executives access to consolidated analytics via dashboards. **■ 52827**

Microsoft Unveils SQL Server 2005 Offerings

BY MARK L. BOWEN

Microsoft Corp. last week took the wraps off its next-generation SQL Server 2005 database lineup.

The SQL Server 2005 family, code-named Yukon, includes four editions—Enterprise, Standard, Workgroup and Express—priced at up to 25% more than comparable offerings in the older SQL Server 2000 line. The new systems will ship this summer.

A Microsoft spokeswoman said the price increases can be traced to new features in the offerings and contended that the products carry lower price tags than similar ones from rivals IBM and Oracle Corp.

Moreover, Microsoft pointed out that it offers multicore processing licenses, or per-processor charges, that cut price/performance costs.

In addition, SQL Server 2005 will allow users to exploit passive fail-over capability at no extra charge, the company said.

At the high end of the new

lineup, the SQL Server Enterprise product includes business intelligence, data mirroring and other advanced capabilities, the company said. These features will let users buy for one price—\$24,999—a full-featured database with-

out having to purchase multiple add-on products, said Tom Rizzo, director of product management for SQL Server.

In addition to the advanced data-mirroring capabilities, a snapshot feature lets the database constantly create snapshots of its configuration and thus report any changes to its backup system, Rizzo said. Managers can also create virtual partitions within the application, he said.

Immediate Gains

The reporting capabilities in the Enterprise edition have already allowed users at beta-tester Summit Partners to retire older analytical tools, said Damien Georges, manager of database applications at the Boston-based private equity firm. The new SQL Server replaced a mixed system built around Microsoft Access and software from Actuate Corp. and Crystal Decisions Inc., he said.

The package boosted performance times while cutting

software costs by more than \$100,000 because SQL reporting costs are already bundled into the existing licenses, Georges said.

In March, Summit plans to upgrade a SQL Server 2000 system that powers its Siebel Systems Inc. CRM application to SQL Server 2005. The company wants to change to the Enterprise or Standard edition to enable it to implement a disaster recovery plan that includes database mirroring to a redundant server.

In addition to SQL Server 2005 offerings, Microsoft also released a new SQL Server 2000 Workgroup Edition with the same capabilities as its SQL Server 2005 counterpart but based on the older system's functionality. That version will ship by midyear.

Mainstream support for SQL Server 2000-based offerings will end two years after SQL Server 2005 ships. Extended support will end five years thereafter, Microsoft said. **■ 52821**

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BEA Finally Joins Eclipse Foundation

BEA Systems Inc. said it will join the Eclipse Foundation for open-source development tools and base its integrated development environment around the Eclipse standard. BEA's membership represents a turnaround for the company, which had long been a hold-out. BEA cited in its decision IBM's divestiture of Eclipse and its market victory over the rival NetBeans open-source tools initiative led by Sun Microsystems Inc.

Sonoma Demand Outstrips Supply

Intel Corp. has been unable to keep up with demand for Sonoma, the notebook technology it introduced in January, a spokeswoman confirmed. "As a result of strong demand, we are somewhat lean on Sonoma component inventory," she said. Sonoma, the latest update to Intel's Centrino package, includes the Pentium M processor, the Avilio chip set and the Intel Pro/Wireless chip for 802.11 Wi-Fi.

Microsoft Buys Axapta Tool Kit

Microsoft Corp. has purchased from one of its partners a tool kit intended to simplify deployment of its Axapta software for manufacturing firms, supply chains, employees and other business resources. Microsoft bought the ERP Complete tool kit from EnTegrate Software LLC. Terms of the sale weren't disclosed.

Hitachi Cuts Price Tag for Microdrive

Hitachi Global Storage Technologies Inc. has started shipping a new version of its 1-in. Microdrive hard disk drive, which can hold 50% more data than its current highest-capacity model. The 6GB version of the drive costs \$299, compared with the \$499 price of past Microdrive products. The company is also lowering the price of its 4GB Microdrive to \$199.

HP to Integrate ApplQ Suite Into Storage Management

Will repackage resource manager as Storage Essentials SRM by month's end

BY LUCAS MEARIAN

HITACHI DATA SYSTEMS Corp. today will announce plans to integrate its Systems Insight Manager service management platform with a storage resource management (SRM) suite from ApplQ Inc.

HP joins Hitachi Data Systems Corp., San Microsystems Inc. and Silicon Graphics Inc., which have signed similar agreements with ApplQ over the past year to repackage the Storage Authority SRM suite.

However, ApplQ Chief Technology Officer Ash Ashutosh said the agreement with HP is more wide-ranging and calls for a much tighter integration with HP's systems management platform.

Fred Craig, managing director of the technology division at Continental Airlines Inc. in Houston, said having an integrated view into his entire hardware environment could reduce the number of storage administrators he needs by handling systems oversight off to operator-level employees.

"The more I can streamline my tool set and the fewer [management interfaces] I have to handle, the more I can take operator-level skill sets and throw them into watching these kinds of tools," said Craig, whose ISOTIS storage-area network (SAN) is mostly HP, along with some Network Appliance Inc. and Sun storage systems.

The Storage Essentials SRM suite — HP's moniker for the ApplQ software — will be

NEW PRODUCT

Storage Essentials SRM

Repackages ApplQ Storage Authority Suite

Available as a third-party product on March 28

Integrates with Systems Insight Manager by April 2005

Modules include server, storage provisioning, storage & business application managers and performance reporting

Priced from \$2,000 to \$60,000 depending on the management modules used

available March 28 to 50,000 Systems Insight Manager users for \$2,000 to \$60,000, depending on the installation.

The suite marks HP's first combined server and storage management application. The SRM suite will be integrated into Systems Insight Manager by the end of this year.

The integrated system will deliver basic SAN management, as well as modules for a variety of tasks, such as storage provisioning and application infrastructure monitoring across the ProLiant Integrity and HP 9000 server lines and HP's storage-array lines.

While Storage Essentials will offer management of EMC, Hitachi, Sun and IBM storage systems at a basic discovery and provisioning level, Craig said, he isn't interested in heterogeneous SAN management, because it's too complex and lacks adequate security.

"What I'd like to see is a tool that allows me to look at throughput in a particular I/O channel [to let me know if that I/O channel is saturated or what my average read rates are and what my cache hit rates are]," he said. "Those

tools would be good to have for fine-tuning some of my high-performance applications."

Tom Asaro, an analyst at Interwise Strategy Group Inc. in Milford, Mass., said the partnership with ApplQ should be a big boost for HP, whose storage operation continues to struggle. "I think the market expects more from them. They're one of the few total solution providers, along with IBM, and they have lost revenue over the last year and have lost people," Asaro said.

Bob Schultz, general manager of HP's Network Storage Solutions division, said each of Storage Essentials' modules is pretested to plug into the systems insight management platform, and because it's built on standards such as IEEE, SMI-S and Web-Based Enterprise Management, it also supports third-party software.

"As we move forward, Systems Insight Manager really becomes an integration platform that we can plug into management cores like OpenView and TSV third-party tools," Schultz said. **□** **52918**

MORE STORAGE EXPLORE

HP's Bob Schultz explores his plans for the company's storage unit **Page 17**

EMC is unveiling an upgrade to Centra that adds search-engine technology **Page 18**

www.computerworld.com

Planning System Isn't Fully Delivering at UPS

Start-up problems slow package-flow technology rollout

BY LINDA ROSENCRANCE

United Parcel Service Inc. has acknowledged that its new package-flow system isn't operating as smoothly as expected, with problems at about 100 of the 300 or so delivery centers where the homegrown technology has been installed.

UPS began rolling out the package-flow system in late 2003 as part of a \$30 million project (Q1Link 41713). The Atlanta-based company planned to deploy the system

at all of its 1,000 U.S. delivery hubs by this year. But now full implementation won't be achieved until the end of 2007, UPS spokeswoman Donna Barrett said last week.

The system uses bar-coded shipping labels and geographic information systems software, which runs on the company's back-end servers. According to UPS, the technology is helping delivery planners at some facilities develop more-efficient routes for drivers, saving the company millions of dollars.

"This year, we'll probably see \$50 million to \$100 million worth of cost-cutting as a re-

sult of improved productivity and reduced mileage and associated fuel costs," Barrett said.

But Donald Broughton, a financial analyst at St. Louis-based A.G. Edwards & Sons Inc., said that level of savings is far less than what UPS projected two years ago. "At that time, they said that by 2007 they would save \$700 million a year by more highly refining the way trucks were loaded and unloaded and the way routes were planned and executed," he said. But the technology is increasing the time it takes some workers to load packages onto trucks, he noted.

Barrett said the issues with

the package-flow system are ones faced by all companies on rollouts of new technology. "It fundamentally changes how certain employees do their jobs. And change is extremely challenging when you're trying to implement it on a broad scale," she said.

At the delivery hubs that have encountered problems, UPS is retraining employees on using the system to give them a better understanding of how it changes their jobs and the benefits it offers.

"We're going back to those centers [and] putting the processes that we put in place, as well as the new technology, to run as smoothly as we'd like," Barrett said. **□** **52925**

BRIEFS

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NEW PRODUCTS

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MORE STORAGE COVERAGE

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GLOBAL

Singapore Ours Up Cybersecurity Efforts

THE GOVERNMENT OF Singapore plans to spend \$63 million Singapore dollars (\$23 million U.S.) over the next three years to implement a master plan for protecting the nation from cyberattacks. Deputy Prime Minister Tony Tan announced last week.

The government intends to build a round-the-clock facility called the Cyber-Threat Monitoring Center by the second half of 2006, he said. The plan also includes the following elements:

- Assessing the vulnerability of critical economic sectors.
- Developing a reliable means of authenticating users for online transactions.
- Creating training and certification programs for IT security professionals.
- Improving public awareness of information security practices.
- Measuring the effectiveness of government agencies' business continuity plans.

Tan said that IT "has become the nerve center of our economy" and that

cyberterrorism could disrupt critical operations such as systems used in marine navigation, stock trading or telecommunications. He indicated that the government is alarmed by a rash of computer viruses and phishing scams, plus news reports that North Korea has "an army of cyberwarriors."

U.K. Clothing Retailer Plans RFID Expansion

LONDON

LONDON-BASED RETAILER Marks & Spencer Group PLC plans to broaden its trial of radio frequency identification (RFID) technology, expanding the test of a clothing inventory system from nine stores to 53 in the second quarter of next year.

"The feedback so far from our staff has been very positive in that the RFID tags have clearly improved our stock-taking process," Marks & Spencer spokeswoman Olivia Ross said last week. "What takes up to eight hours a week to do manually can be done with RFID tags in about an hour."

She added that employees simply wave scanners

over racks of clothes equipped with the tags.

The current trial involves inventories of men's suits, but women's undergarments will be added next year, Ross said. "We are looking to test RFID with size-complex items, and for bras alone, there could be over 40 sizes," she explained.

■ LAURA RHODE, IDG NEWS SERVICE

Deutsche Post, Adobe To Offer Stamps Online

DÜSSELDORF, GERMANY

BONN-BASED postal company Deutsche Post AG and Adobe Systems Inc. this month jointly announced a Web-based service that lets users buy postage stamps online and receive them in the form of PDF documents. Buyers can print out the stamps using Adobe Reader Versions 6.02 and 7.0 and affix the postage to letters or parcels.

The StampIt Web service will initially be made available as part of a pilot program for eBay Inc. merchants in Germany and is scheduled to be rolled out to the general public within a few months, the companies said.

Deutsche Post is working with Adobe's German unit, Adobe Systems GmbH, which is based in Unterschleißheim. ■ SZ781

■ JOHN BLAU, IDG NEWS SERVICE

Compiled by Mitch Betts.

Briefly Noted

The U.K.'s Foreign and Commonwealth Office—similar to the U.S. Department of State—is this month awarded Hewlett-Packard Co. a seven-year, £100 million (\$248 million) contract to upgrade the agency's secure network of desktop systems at more than 200 locations in the U.K. and abroad.

■ SCARLETT PRUITT, IDG NEWS SERVICE

Jeff Smith, CIO at Telstra Corp. in Melbourne, Australia, since 2002, is leaving his post at the country's largest telecommunications carrier on March 31, according to an internal e-mail from Telstra. Telstra's general managing director is the e-mail. Privately stated business accomplishments had also included that a shake-up of Telstra's IT operations is imminent.

■ JARLAN BAKOWSKI, COMPUTE-WORLD TODAY (AUSTRALIA)

The European Medicines Agency, a London-based regulatory organization, this month awarded Waters-Strategy Inc. in Milford, Va., a \$3 million contract to provide business intelligence software and services for analyzing drug safety.



Feds Could Face More IT Security Mandates

Legislator says some agencies have 'a long way to go' on protecting systems

BY JANMARIA VILARIN
On Feb. 16, U.S. Rep. Tom Davis (R-Va.), chairman of the House Government Reform Committee, released a report card giving federal agencies an overall D+ grade on computer security for 2004 (QuickLink S2707). In an interview last week, Davis spoke about the government's IT security performance and warned that more mandates are on the way if agencies with low grades don't fix their problems soon.

What were your conclusions on the overall security performance of federal agencies? I think it's improving, but it's not improving

ing fast enough at this point. The overall agency scores rose by 2.5 points, but they still scored a D+. We just need to continue to give this focus, and hopefully we won't have some kind of cyberattack or cyber Pearl Harbor. We have to be inspired by that to try and stay ahead of the curve.

Why are some agencies failing so well while others appear to be struggling? Leadership. It basically goes to the CIO and the agency heads and their ability to coordinate. This they need

to get a plan, and they need to execute on it. Some agencies have put the resources into it, and others—they haven't. Some have still a long way to go.

What's the incentive to improve when there are no funding cutbacks or other repercussions for bad grades? I don't know if you want to punish people by withholding funding. That makes it even tougher for them to meet their goals. But I think there may be an embarrassment factor.

If you want to have career advancement and you come off an agency that has got a bad [security] grade, it probably isn't going to help you move to the

next level. Eventually, I think there will be a funding attachment. These scorecards are fairly new, and we are trying to get an appropriations buy-in.

Many of the recommended security controls for federal agencies will become mandatory by the end of this year. What impact will that have on the report cards next year? Mandates are better than suggestions, unfortunately. You hate to get to the point where you have to mandate things that need to get done. But I think that is the way Congress will react—with more mandates on agencies that will put more burden on them. We would rather have [agencies] solve the issues themselves. But if they can't do that, I think

they'll get a lot more mandates.

You identified several areas where federal agencies need to improve, including annual reviews of IT contractors, testing of contingency plans and incident reporting. What's the problem? They don't have the finances for it. The basic problem is that we're asking them to do this in some cases without giving them a lot of new money. They're kind of waiting for additional money to come through.

How will the CISO Exchange that you're setting up for chief information security officers help improve things? Hopefully, we'll get people from agencies that have [improved security] going into agencies that haven't done it and showing them how to do it. You get some [cross-pollination] that way. ■ S2822



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Software Ownership Battle Adds \$10M to Cost of 'Big Dig'

BY MARCI BOMHIM

FAILURE to secure access to the source code of a key application added more than \$10 million to the cost of the infamous "Big Dig" highway construction project in Boston, according to the Massachusetts state auditor.

The application, called the Integrated Project Control System (IPCS), handles traffic, roadway, fire and security systems management for the \$14 billion Central Artery/Third Harbor Tunnel Project. Software development for the IPCS project remains unfinished.

The initial application was created by Transdyn Inc., which was awarded the contract for the first phase of the project. The problem occurred when Transdyn refused to hand over access codes for the application to Honeywell Technology Solutions Inc., which won a contract to develop the next phase.

Massachusetts State Auditor Joe DeNucci this month said the failure of project managers to secure "timely ownership" of the IPCS software boosted the cost of the project. The matter wound up in court and cost the state millions in overruns and other costs, he said.

"The significance of this audit is that it's a good example of the kinds of things that went wrong in the project," said a spokesman for DeNucci. It indicates a failure to foresee that "a dispute over the access to the software code could lead to a problem that would delay the second phase," he said.

Groundwork for Lawsuits

The initial phase of the IPCS project started in 1994, when Pleasanton, Calif.-based transportation software maker Transdyn won a \$32 million contract to develop the application for the first phase of

the Big Dig, according to the audit report. The system was built under Transdyn's Dynac transportation management software. In 1995, Honeywell won a \$104 million contract to build the next phase of the system to control and monitor the entire Big Dig project.

At that point, Transdyn refused to turn over the Dynac source code to Honeywell, claiming that the technology was "proprietary and forms the cornerstone of a portion of its business." The state argued that Dynac had been modified as part of the project and had thus become a customized piece of software not subject to the legal safeguards for off-the-shelf applications.

Massachusetts paid Transdyn \$350,000 in a 1999 out-of-court settlement of lawsuits that each had filed against the

other. Under the deal, Honeywell sublicensed the software from the state "under certain safeguards," the report stated.

The auditor based the \$10 million price tag for the problem on the state's decision to waive \$2.72 million in damages it believed it was owed

by Transdyn and an estimated \$7.2 million cost for the four-month delay in the project caused by the interruption of the software hand-over—bringing the total cost overrun to \$10.3 million.

Meanwhile, Honeywell in December negotiated an end



Continued from page 1

Hackers

—a term coined to describe attacks involving the use of search engines—is becoming a potent threat to IT security, said George Kurtz, senior vice president of risk management at security software vendor McAfee Inc. in Santa Clara, Calif.

"It's all about coming up with the right search criteria," Kurtz said. "By crafting certain requests, you can pull back a lot of very specific information." For instance, searches can reveal the existence of misconfigured servers, as well as password files and vulnerable software, he said.

Search engines such as Google "provide an extremely effective way" to gather information that can be used to attack Web sites, concurred Graham Chaley, a senior technology consultant at Sophos PLC, another security vendor.

Hackers have always relied on shortcuts and tools to do their dirty work, said Hugh McArthur, director of information systems security at Online Resources Corp., a Chantilly, Va.-based online bill processor. "This is just one more approach," he said, adding that his company is using search engines and other tools to look for any compromising information that can be gleaned from its Web site.

Robert Olson, a systems administrator at Uline Inc. in Waukegan, Ill., said the distributor of packing and shipping materials is doing regular audits in order to keep "a tight rein" on the information available via its Web site.

"We are, of course, concerned," Olson said. "Worms that use tools like Google, Yahoo, MSN Search or AltaVista to seek out vulnerable systems or e-mail addresses make for a much more efficient attack."

The advanced functions supported by search engines

make it relatively easy for even novice hackers to scope out Web sites and gather vulnerability data, according to Kurtz. Google lets users limit searches to specific Web sites and domains, to specific files on Web sites and even to specific pieces of text within files.

There is also a growing volume of information on the Web about search strings that can be used to unearth sensitive information from the un-

6 The ability of search engines to discover a lot of information that was not necessarily hidden but was a lot less available previously is scary.

WATT KESNER, CHIEF TECHNOLOGY OFFICER, FENWICK & WEST LLP

to its contract for the project, whose price tag has ballooned from \$104 million to \$188 million since 1999. Vic Miller, vice president and general counsel at Columbia, Md.-based Honeywell, said the audit bolsters his company's position that the late delivery of the Dynac software was among the factors that affected its ability to deliver its portion of IPCS for the agreed-upon price.

Currently, Transdyn is negotiating with Big Dig authorities to complete the IPCS system, said a Transdyn spokesman. He said the company "is not in a position to comment" on the auditor's report.

The Massachusetts Turnpike Authority, which manages the Big Dig, declined to comment on the specifics of the audit. In an e-mail statement the authority said, "We have been very candid about the issues we have encountered with the installation of the IPCS system and have already referred those issues over to the state attorney general for potential cost recovery actions." ■ 52820

way. One site has compiled a database of more than 800 different Google hacks that can be used to pull data from Web sites, Web cameras and even Internet-connected printers.

Such information can actually be useful to IT managers in figuring out where their security vulnerabilities are, said Jarrod Winter, network security manager at Western United Insurance Co. in Irvine, Calif. "It can be really handy for penetration testing," he said.

Apart from keeping sensitive data off the Web, there are other steps companies can take to ensure that they aren't compromised by searches, Kurtz said. That includes using so-called robots.txt files to block search-engine crawlers from indexing sensitive portions of Web sites. In addition, disabling directory listings can keep crawlers out if they slip by a robots.txt file. Using passwords to protect IT-related information on sites is also a good idea, Kurtz said. ■ 52822

HP Exec Explains Plan For Storage Operation

Vendor is adding expertise, channels to take on IBM, EMC

BY LUCAS MEADIAN

Although Hewlett-Packard Co.'s storage revenue has been on the upswing since last year's third quarter, it remains down from a year ago. HP's first-quarter results showed a slight year-over-year decline in storage revenue, but a smaller one than in previous periods. Bob Schultz, HP's general manager of storage solutions, spoke with Computerworld about HP's plan for improving its competitive position in the storage mar-

ket. One thing Schultz wouldn't talk about is whether the departure of former HP CEO Carly Fiorina will affect his plans.

How are you responding to increased pressure from IBM at the high end, Dell at the low end and EMC at both ends? In Q3 [2004], we were down 15% [year-over-year in storage revenue]. In Q4, we were down 10%. In Q1 [2005], we were down 1%. That gives you the trajectory, which is up and to the right. On all those fronts, the challenge was around field execution. We've been hiring storage specialists, because as you look at the high end, that's cer-

tainly where you need someone that's steeped in knowledge. We've been partnering with channel partners. That process is going on, and that'll give us more coverage.

You recently signed a deal with AppIQ to resell its Storage-Authority product as a way to combine server and storage management on one screen. Vendors like Hitachi and IBM have signed similar deals. What sets HP apart? We're the first ones really unifying servers and storage. When I look at what Hitachi has done in the past, it's been all around storage. What I believe IBM is doing is all around its Total-Storage management center. What we're doing is saying, as you look out into the future,

where we virtualize the infrastructure, you really want to be managing the servers and storage in a consistent way.

Users have given your midrange Enterprise Virtual Array high marks, but that's at the homogeneous level, not the heterogeneous level. How will HP support competitors' systems? We're missing mainframe support on the EVA, but that's not the targeted market for EVA.

That's on the server side, but what about the host side? What if I have EVA on the back end and I want to have EMC's Centera or Hitachi's Thunder array on the same network? The benefit of working on the open management platform is that we'll manage heteroge-

neous environments. That's one of the values of working with AppIQ. They bring relationships with Hitachi and others.

IBM said it is already doing that and extended the integration recently to its BladeCenter server systems, where you have the servers, network and storage all in one place. What sets you apart? "All in one place" is different from integrated. A lot of people... say, "Let's have this single pane of glass," which means, "Let's have 27 windows running on a single monitor." A lot of companies say [they] have tools in each space, but what they really haven't done is say, "We're going to have a systems management tool that highly integrates how I manage my storage and my compute environment." © 52790



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ChoicePoint Error Prompts Calls for Identity Theft Law

Privacy groups, senator demand hearings

BY ORANT GROSS

A variety of privacy groups and U.S. Sen. Dianne Feinstein (D-Calif.) are renewing calls for a national privacy law in the wake of news that data collector ChoicePoint Inc. mistakenly gave private information on up to 145,000 U.S. residents to identity thieves.

Alpharetta, Ga.-based ChoicePoint this month reached an agreement with 19 state attorneys general to tell potential victims that thieves may have gained access to personal information such as Social Security numbers and credit reports [QuickLink 52719].

Potential victims live in all 50 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands.

The ChoicePoint problem points to the need for a national privacy law, said the Electronic Privacy Information Center (EPIC) and the Center for Democracy and Technology (CDT).

For most U.S. companies, only a 2003 California law requires identity theft notification.

"There certainly is agreement that we need better notification, exactly because of cases like this," said Ari Schwartz, associate director at the CDT.

Feinstein has also called for congressional hearings on privacy legislation she introduced this year. Feinstein's

Notification of Risk to Personal Data Act would require businesses and government agencies to notify likely victims when there is a "reasonable basis to conclude" that a criminal has obtained unencrypted personal data.

Legislative Prospects

Feinstein's bill lacks co-sponsors, and a similar bill of hers went nowhere in Congress in 2004. "Moving any bill is always a difficult prospect, but now more people are coming to an understanding of the issue of identity theft," a Feinstein spokesman said.

Schwartz and Marc Rotenberg, EPIC's president, questioned whether ChoicePoint would have notified potential victims at all without the California identity theft law. "They've been reckless with people's information," Rotenberg said of ChoicePoint.

David Bernkopf, a ChoicePoint spokesman, disagreed. The company first notified the sheriff's office in Los Angeles County in October of the possible data leak because it believed the leak started there, he said. It's still not clear how the thieves got access to ChoicePoint's data, Bernkopf said.

Authorities believe a group of people used IDs stolen from legitimate businesspeople to set up phone businesses that contracted with ChoicePoint for identity checks, he said. **52767**

Gross writes for the IDG News Service.

Phony FBI E-mail Launches Virus

BY TODD R. WEISS

A fake e-mail that purports to be from the FBI is circulating on the Internet with a computer virus as its payload.

The FBI last week warned that the unsolicited e-mail tells users that "their Internet use has been monitored by the FBI's Internet Fraud Complaint Center and that they have accessed illegal Web sites."

The bogus message then asks recipients to click on an attachment and answer some questions about their alleged illegal Internet use. But rather than being a questionnaire, the attachment infects the recipient's computer with an as yet undetermined virus.

Paul Bresson, an FBI spokesman, said last week that the agency discovered the phony e-mail over the previous weekend after several recipients notified the FBI. He said he didn't know exactly how many complaints were received.

The e-mail message has multiple misspellings and is written in broken English, Bresson said. "The wording is very poor, which helps us," he said. "We're hoping that that flags people." Bresson said he didn't know whether any victims of the scam have provided their credit card numbers or other information.

Pete Lindstrom, an analyst at Spire Security LLC in Malvern, Pa., said fake e-mail messages will continue to be a problem until tighter standards for sending e-mails are adopted by senders and recipients. **52766**



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DON TENNANT

Rights and Wrongs

HAVE YOU SEEN that IBM commercial with the little Chinese girl? It's one of those IBM help desk ads, and the girl says she needs help because she wants to learn about so many things, but she lives on a farm in China and can't go to school. The problem is solved when she's able to attend a virtual class made possible by technology.

I first saw the commercial around the time I was receiving a lot of mail from irate readers who vehemently disagreed with the position I took three weeks ago in my column titled "The Three Stooges." In that column, I argued that the three U.S. congressmen who raised a national security alarm in response to IBM's plan to sell its PC business to China's Lenovo Group were engaged in legislative buffoonery (QuickLink 52380).

The reaction from some readers was intense. "You are just another silver-haired corporate lackey, toeing the corporate line," one wrote. "Companies like IBM and Microsoft, and corporate stooges like yourself who front for them, are little more than traitors." Citing the threat of war with China, this reader suggested that I consult with my son, who is in the Navy, before I write my "next piece of knuckle-headed, traitorous trash."

"You put personal gain over patriotism," another reader echoed. "You deserve a traitor's fate. I would love to watch that."

It occurred to me as I watched the little girl in the IBM commercial that a lot of these readers are probably irate about IBM supplying technology to educate Chinese children. After all, educated children grow up to be skilled adults who might very well be compelled to join China's military forces. I have no doubt that many Americans contend that our



national security would be better protected by withholding the means for Chinese children to be educated. I disagree.

For the record, I'm not naive. I wasn't all that far from Beijing during the Tiananmen Square massacre on June 4, 1989. There are a lot of things in China that need to change. But how can they be changed? And

should we help change them?

Of course we should. That's because a little girl on a farm in China has just as much right to an education as a little girl on a farm in Iowa. And it's just as important for a Beijing University student watching a tank rumbling toward him to have free speech as it is for a Harvard stu-

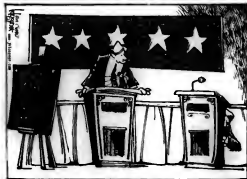
dent protesting the low pay of janitorial workers. The only way those changes will come is for the West to continue to engage China commercially, culturally and politically. Any one who has been to China in the past decade has witnessed remarkable positive change as a direct result of that engagement.

And for what it's worth, when the time does come that the people of China have free speech, you can bet they'll exercise it.

That's what Ron Baker of Oregon City, Ore., did. "I had to gangle with Listerine after reading your tripe," he wrote in response to my column. "It's [expletive deleted] like you that make me hate this industry [to which] I have dedicated a thirty-year career." Baker gave me permission to use his name, and I admire that.

Unfortunately, other readers who were outraged by my position wouldn't allow their opinions to be published with their names. That's a tragic waste of a precious right that too many people live without. And wasting that right is just plain wrong. ☎ 52776

Don Tennant



DAVID MOSCHELLA

FCC: Mission Accomplished

"It is the mission of the Federal Communications Commission to ensure that the American people have available — at reasonable costs and without discrimination — rapid, efficient, nation- and world-wide communications services; whether by radio, television, wire, satellite, or cable."

— Congress' original charge to the FCC, 1934

WILL WE ever see the day when a large government agency proclaims "mission accomplished" and starts winding itself down, not because of failure but because of success? Don't bet on it. But that's the question that comes to mind as we watch SBC Communications swallow up AT&T, Verizon and Qwest go after MCI, and Sprint take over Nexcet. While the usual assortment of advocacy groups will fret about excessive corporate size and power, when you look at today's telecommunications marketplace, it's pretty clear that virtually all of the FCC's goals have been achieved.

It was less than 25 years ago that a heavily regulated AT&T dominated America's telecommunications industry. The U.S. judiciary wisely decreed this an undesirable structure, given the diversity and potential of emerging voice and data technologies. The 1982 antitrust settlement that led to the breakup of AT&T triggered an explosion in innovation and usage beyond what even the most zealous enthusiasts ever predicted.

It's worth remembering that in the early 1980s, the idea of breaking up AT&T was highly controversial, and the best means of doing it was by no means obvious, even to those who supported it. However, the decision to separate AT&T's local, long-distance and equipment businesses has proved sound. The latter two industries quickly became fiercely competitive; only the local operating companies held near-monopoly positions.



Over the past two decades, those local monopolies have also been steadily eroded, and thanks to the Telecommunications Act of 1996 and other policies, the largely artificial boundaries between local and long-distance services have blurred. The emergence of DSL, cable, and wireless voice and data services, as well as Internet-based offerings, is producing a highly competitive marketplace where the eventual winners are by no means clear. Which one of those horses would you bet on?

Of course, all is not perfect. Cable TV and local telephone services are still too expensive in some areas, and it would indeed be worrisome if a region's wired and wireless services were owned by a single company. There is also the risk that excessive access charges between various networks could become a real barrier to open competition. But these issues can be managed by state regulation, antitrust overseers and the marketplace. They no longer require a specialized agency focused on national telecom policy.

The idea of scaling back the FCC is not so much a cost-saving proposition. By government standards, the FCC's \$290 million budget and 2,000 employees are rounding errors. And even with its primary mandate largely fulfilled, there are still areas — especially spectrum allocation and international satellite coordination — where the commission's work remains important.

But the era when the telecom industry was viewed as a highly unusual, even unique sector that required its own regulatory body has pretty much come to an end. Consider this: A sign of technological progress and market maturity. If nothing else, treating the telecom business more like other major industries could thin the legions of highly paid lobbyists in the halls of Congress. When there are very few rules to write, there's not much for even the cleverest of lobbyists to do. **© 52720**

JERROLD M.
GROCHOW

Firewalls' False Sense Of Security

THE Internet front door to almost every bank and financial services company in the world is

guarded by two sets of firewalls defining a DMZ. Nearly every e-commerce site sits in a similar DMZ in what has become the de facto standard in Web security architecture. According to Sun Microsystems, "In today's tumultuous times, having a sound firewall/DMZ environment is your first line of defense against external threats." But I would argue that guarding the perimeter is lulling organizations into a false sense of security that results in ignoring the implementation of other security mechanisms in their applications and databases.

In contrast, the Internet front door to MIT doesn't have a DMZ and pretty much doesn't even have a firewall. Universities begin with an assumption that everything is open, but these large organizations are arguably no more vulnerable to external threats than banks and financial institutions, and perhaps less vulnerable to internal threats.

A key reason for reduced vulnerability is the approach many universities take to creating authorization and application-level security in the absence of a secure perimeter. For more than a decade, universities have been implementing homegrown systems and working with vendors to ensure



that their products don't make assumptions about working behind a firewall. We look for systems to incorporate application-level security based on verifiable user identities — an approach that continues to gain ground as organizations realize that firewalls alone don't provide the level of security they need in today's world.

In your own organization, do you pass around unencrypted passwords and data inside the firewall because you know you're behind the firewall? Are your application servers available to any request from anywhere (because they are behind the firewall) or only to those Web servers that need the applications they implement? Is everyone with access to applications allowed full access, or is each person's role (customer, authorizer, accounts payable clerk) part of the authorization protocol to applications? These are some of the issues we must face once we realize that firewalls don't really provide full application security. After all, once the firewall is breached, the outsider is inside, so we can't treat all insiders alike.

As a result, there is a growing interest in developing approaches to secure authorization and application access. Many security architectures at

universities (and some corporations) are based on the Kerberos protocol and software (<http://web.mit.edu/kerberos>), first developed at MIT in the 1980s and still going strong. In fact, Kerberos is in the background of operating systems from Apple, Sun and Microsoft, but it's not yet fully implemented in many commercial applications. In addition to Kerberos, the Shibboleth Project, sponsored by Internet 2 (<http://shibboleth.internet2.edu>), is developing software to attack the problem of cross-organizational authentication. The Liberty Alliance is working on standards for cross-organizational authorization in Web services environments (www.projectliberty.org). And Kerberos can already complement or enhance the deployment of Shibboleth or Liberty standards as it evolves in both intra- and interorganizational infrastructures.

The problem of securing the myriad applications and databases within large organizations isn't going to be solved by developing increasingly secure firewall technology. Firewalls can go only so far — at some point, you'll have to develop a secure identity structure that's incorporated into each and every application. And projects such as Kerberos, Shibboleth and Liberty will lead the way. **© 52629**

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READERS' LETTERS

Jumping the Gun Hurts Vendors

I THINK the free speech defense that Dan Gilbride cites in his column "Apple Suits Is Wrong Kind of Defense" (www.computerworld.com, 5/23/03) is misplaced. Truly, free speech is paramount to a democratic society and should be defended. Specifically, journalists play an important role in guarding that right.

However, publishing product information before official announcements are made can hardly be classified as journalism. It provides no benefit to the consumer and serves only to harm the creator, in this case Apple. Apple, more than any computer and electronics manufacturer, relies on creative design and marketing to stay in business. Being invasive in what has developed the company's brand and created a loyal

fan base. Having the details of upcoming products made known prior to announcement does nothing but allow competitors to get a head start.

Journalism is a service to the people, to educate, protect and inform. Believe me, I enjoy finding out about a new product or other piece of news before my friends or colleagues as much as anyone, but this is not journalism, and Apple has every right to defend itself.

Aaron Spenser
Senior network engineer,
Somers, N.Y.

HP Should Be Quiet

B E CAREFUL, Mr. Tennant, you might be showing your lack of knowledge concerning corporate financial reporting requirements ("Disquiet, Period," www.computerworld.com, 5/23/03). I suggest you research the

problem Google had when certain comments were made prior to its initial stock offer. In matters with the SEC, caution is always the order of the day.

Danielle L. Robinson
IT manager,
Beaumont, Texas

Revealing Secrets

I AGREE with Bruce Schroeder ("The Curse of the Secret Question," www.computerworld.com, 5/23/03) that the answer to Web sites' secret questions are too easy to find by hackers.

Worse yet, if my account is broken into, the hacker can often review the secret question and its answer, thus acquiring extra info about me, such as my mother's maiden name, Social Security number or birthday, which can be used to access my financial accounts. Al-

though biometrics is better, the secret question can be made more secure by allowing the user to commit his own question, as many sites do now. This lets me devise a question that only my closest and most trusted family members would know.

Gerry Champoux
Wellesley, Mass.

COMPUTERWORLD welcomes comments from its readers. Letters will be edited for brevity and clarity. They should be addressed to: James Eddle, letters editor, Computerworld@computerworld.com, PO Box 9171, 11 Soane Street, Framingham, Mass. 01701. Fax: (508) 875-4543. E-mail: letters@computerworld.com. Include an address and phone number for immediate verification.

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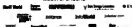
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Conference At-a-Glance (subject to change)

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TUESDAY, APRIL 12

Registration Open 11:00am - 8:30pm

9:00am - 9:30am

Breakfast

9:30am - 11:30am

Pre-Conference Tutorials and Primers

11:30am - 1:00pm

Luncheon

12:00pm - 5:00pm

Pre-Conference Golf Outing

1:00pm - 5:25pm

End-User Case Studies; SNIA Voice of the User Track;

SNIA Technical Tutorials Track; Deployable Solutions Track

Welcome Reception

6:00pm - 8:00pm

WEDNESDAY, APRIL 13

Registration Open 7:00am - 8:00pm

7:15am - 8:15am

Breakfast

8:15am - 8:30am

Opening Remarks

8:30am - 9:15am

Opening Visionary Presentation
Ira Winkler, Expert in Corporate and Computer Security
Author of *Spies Among Us: How to Stop the Spies, Terrorists, Hackers and Criminals You Don't Even Know You Encounter Every Day*

9:15am - 9:45am

End-User Case Study

9:45am - 10:15am

Industry Leader Presentation
Ann Livemore, Executive Vice President,
Technology Solutions Group, Hewlett-Packard

10:15am - 10:30am

Break

10:30am - 11:00am

End-User Case Study

11:00am - 11:30am

Industry Leader Presentation

11:30am - Noon

End-User Case Study: The Story (and Storage) Behind Kodak's Online Photo Success
Sonya Erickson, Vice President, Technical Operations,
Kodak EasyShare Gallery

Noon - 12:45pm

Panel Discussion
Moderated by Jon William Togni, CEO & Founder,
Togo Partners International

12:45pm - 2:00pm

Luncheon

2:10pm - 5:40pm

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THURSDAY, APRIL 14

Registration Open 7:00am - 6:00pm

7:15am - 8:15am
8:15am - 8:30am
8:30am - 9:15am
9:15am - 9:45am
9:45am - 10:15am

Breakfast

Opening Remarks

Opening Visionary Presentation

Industry Leader Presentation

End-User Case Study

Bob Logan, Vice President, Enterprise Infrastructure Services, SAIC



Break

Industry Leader Presentation

End-User Case Study
Sasan Hamidi, CSO, Interval International



Industry Leader Presentation

End-User Panel

Moderated by Steve Duplessie, Founder & Senior Analyst,
Enterprise Strategy Group



Luncheon

● IDC Storage Analyst Briefing

End-User Case Studies; SNIA Voice of the User Track;
SNIA Technical Tutorials Track; Deployable Solutions Track

Espresso Open

Cocktail Reception in Esso begins at 5:30pm

Gala Evening with Dinner & Entertainment

10:15am - 10:30am
10:30am - 11:00am
11:00am - 11:30am

11:30am - Noon
Noon - 12:45pm

12:45pm - 2:00pm
2:10pm - 5:40pm
2:10pm - 5:40pm
4:00pm - 7:00pm
7:00pm - 9:30pm

FRIDAY, APRIL 15

Registration Open 7:30am - 10:00am

7:30am - 10:00am
8:30am - 12:30pm

12:30pm

Continental Breakfast

End-User Case Studies; SNIA Voice of the User Track;
SNIA Technical Tutorials Track; Deployable Solutions Track

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Please check ONE of the following:

- ☐ **I am an IT End-User***
 (Complete Attendee Profile below)

- ☐ **I am a Channel Partner/
 Integrator/Consultant**
 (Complete Attendee Profile below)

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Attendee Profile:

The section MUST be completed by IT End-Users and Channel Partners/Integrators/Consultants only (optional for all other registrants) in order to process your application.

Your Business Function

- ☐ Administrator
☐ Analyst
☐ Architect
☐ Business Development
☐ Chief Information Officer
☐ Chief Technology Officer
☐ Consultant
☐ Database Administrator
☐ Director
☐ Executive
☐ General Manager
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☐ IT Manager
☐ Network Administrator
☐ Project Manager
☐ Sales Representative
☐ Systems Administrator
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☐ Training
☐ User
☐ Vendor Representative
☐ Other (Please Specify)

How do you plan to use IT?

- ☐ I am a user of IT products
☐ I am a user of IT products
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What is your organization's annual IT budget?

- ☐ Less than \$100,000
☐ \$100,000 - \$249,999
☐ \$250,000 - \$499,999
☐ \$500,000 - \$749,999
☐ \$750,000 - \$999,999
☐ \$1,000,000 or more

Number of employees in your entire organization

- ☐ Less than 50
☐ 51 - 100
☐ 101 - 250
☐ 251 - 500
☐ 501 - 1,000
☐ 1,001 - 2,500
☐ 2,501 - 5,000
☐ 5,001 or more

What is your organization's annual IT budget?

- ☐ Less than \$100,000
☐ \$100,000 - \$249,999
☐ \$250,000 - \$499,999
☐ \$500,000 - \$749,999
☐ \$750,000 - \$999,999
☐ \$1,000,000 or more

Number of employees in your entire organization

- ☐ Less than 50
☐ 51 - 100
☐ 101 - 250
☐ 251 - 500
☐ 501 - 1,000
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Endgame for Tru64

Tru64 users have no choice but to plot a road map away from Hewlett-Packard's Unix system. Some will move to HP-UX, but others may have to explore other options. **Page 32**

SECURITY MANAGER'S JOURNAL Assessing a New App Infrastructure

Mathias Thurman must assess his company's architecture, systems and applications before going live with an Oracle III deployment. **Page 33**

FUTURE WATCH Computation Comes to Life

Researchers such as MIT's Thomas Knight (left) are taking the marriage of computer science and biology to a new level, turning cells into living computers with programmable DNA and biochemical memories. **Page 28**



Macs are still going strong in the graphics and digital media markets. And now Xserve may help Apple make inroads in the data center as well. BY MARK HALL

IN BUSINESS TO Stay

LAST MONTH, Brandchannel.com dubbed Apple Computer Inc. the "brand with the most global impact." But you'd never know it by looking at corporate desktops today.

Windows machines are the undisputed personal computers of choice for corporate IT, the biggest single market for PCs. Research conducted by Framingham, Mass.-based IDC underscores the fact. IDC ranked the maker of Macintosh machines No. 10 on its market-share list in 2004, two spots behind the Chinese company Lenovo Group Ltd. — and the list was prepared before Lenovo's planned acquisition of IBM's PC unit.

Yet despite significant efforts by Windows supporters, Apple still remains a dominant player in vertical market segments such as publishing and digital media. And with the growing popularity of its low-cost Xserve Unix servers, Apple has an opportunity to compete head-to-head with industry

leaders like Dell Inc. inside the data center for general-purpose applications such as e-mail and Web serving.

Where's Mac?

Not surprisingly, according to research from New York-based Trend-Watch, 83% of graphic designers, 77% of corporate design departments and 65% of advertising agencies rely on Macintosh computers. And publishers also continue to depend on Apple's machines.

Kim Vichiranananda, a desktop support engineer for 800 PCs and 250 Macs at The Dallas Morning News, acknowledges that Windows has comparable applications for the publishing market. But, she says, "those applications don't run as robustly on Windows. They're not as fast or as seamless as on the Mac. We could not replace Macs for PCs."

At The Home Depot Inc., senior engineer Bruce Covey evaluated only MacOptions when he upgraded his video production equipment at the company's corporate headquarters in Atlanta. "We never considered the PC option, because it can't do what the Mac does in video production," he says. Home Depot's video group standardized on dual-processor Mac G5 desktop machines with 2GB of RAM accessing 4TB of storage on Xserve RAID storage. Covey uses Apple's Final Cut Pro as his editing application.



His team also depends on outside freelance talent to produce nearly 300 10-to-45-minute videos every year on everything from CEO commentaries shot in the corporate studio to forklift-safety programs filmed in warehouses. Covey says the "lion's share" of freelance video talent "depend on Macs," so he does, too.

Mac is Unix

Apple's embrace of Unix in its Mac OS X operating system gave the company a big boost among scientists who need hefty processing capabilities. Bill Van Etten, who does genetic research at the University of Pittsburgh, attributes the Mac's star power among scientists to the computer's ease of use, a broad set of scientific applications available for the Mac and, most important, its Unix-based operating system.

"As a life-science researcher, I simply have no use for an operating system that isn't Unix," says Van Etten.

In fact, OS X isn't just Unix but, with the exception of its user-interface and management tools code, it's open-source Unix. (The source code is located at www.opensource.apple.com.) Apple integrates and specifically tunes its hardware for an additional 80 open-source projects, such as Apache, MySQL, and JBoss for the Mac.

The Unix application software available for Macs is another benefit touted by users. "There are a ton of Unix apps designed for research," says Ben Hanes, senior systems analyst at Children's Hospital of Oakland Research Institute (CHORI), which is one of the top 10 recipients of research grants from the National Institutes of Health.

Van Etten acknowledges that "it is technically possible to get something for a Unix environment to run on Windows. [And] these applications might work sometimes, but it's slow, awkward and problematic."

At the Broad Institute for bioscience research in Cambridge, Mass., Stan Diamond, team leader for desktop support, says 99% of the servers in the institute's data center are Unix-based. About 20% of those are Macs.

It's doubtful that Oracle Corp. would have decided to port its Oracle 10g database to the Mac if the platform didn't have a Unix core. "We see value in OS X," says Sanjay Sadhu, director of worldwide alliances and channels at the database giant. "It's a great new enhancement." He adds that Oracle hopes to exploit Apple's strong position in the sciences and in creative and education markets.

In fact, Oracle has installed Xserves

in its data center to run its Oracle Collaboration Suite for e-mail, voice mail and calendaring for 4,000 employees.

And Oracle is probably saving money doing so. Apple's dirt-cheap dual-processor Xserve competes favorably against Dell's PowerEdge 1850. The latter, loaded with dual 2.8-GHz Intel Xeon processors and 2GB of memory with 600GB of SCSI-based storage and a 25-user Windows license, rang up at \$12,717 last month on Dell's Web site. An Xserve with two 2.3-GHz PowerPC G5 processors, 2GB of RAM, 580GB of ATA storage and unlimited OS X clients is a pittance in comparison, at \$6,290.

Even running Linux, the Xserves are cheaper. And that's part of the reason the University of Pittsburgh's Van Etten, a Linux fan, opted for Xserves in his 120-node server cluster. The Mac is suddenly and uncharacteristically a low-cost option for IT shops.

A Safer Option

At Genentech Inc., a multibillion-dollar biotechnology firm in South San Francisco, Mark Jeffries oversees nearly 2,500 Macs. The senior systems specialist says the OS X machines are used "for various purposes," from scientists doing pure research to executives toying with spreadsheets.

According to Jeffries, the Mac's place in the market today is the result in large measure to Windows-centric IT shops that "have always been trying to find some reason to get rid of Macs." But he doesn't believe that the Mac is destined to remain locked in a very vertical segment, because of recent shifts in the technology landscape.

First, as Web services applications replaces client/server software, Windows dependencies in an application's business logic disappear, as does the requirement for Windows machines.

The second shift, says Jeffries, is

THE LOW-COST ALTERNATIVE?

THE COMPARISON BELOW SUGGESTS THAT COMPARE IT SHOULD SERIOUSLY EVALUATE APPLE'S DUAL-PROCESSOR XSERVE.



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APPLE XSERVE

- Two 2.3-GHz PowerPC G5 processors
- 2GB of RAM
- 580GB of ATA storage
- Unlimited Mac OS X clients

COST: \$6,290 (JANUARY)

malware. He remembers a virus that shut down operations at a couple of his company's competitors in 2003 because of their total dependency on Windows while Genentech's business continued unaffected. He says the company's top executives took note of that event, and it reaffirmed their commitment to the Mac.

"The Mac is secure, if not bullet-proof," Jeffries says. That's because OS X was developed after the widespread adoption of the Internet, so Apple "designed it to be secure by default."

"Windows was designed for features, not security," he adds.

Across San Francisco Bay at CHORI, Hanes concurs. "Macs are safer," he says. "When we get a virus, it's because someone attached a Windows laptop to the network."

Hanes, who estimates that CHORI's hundreds of machines are evenly split between Macs and Windows, deploys Macs as his secure front line to the outside world. He has set up CHORI's mail and Web servers on OS X sys-

tems. Any malware, particularly malware-borne viruses, gets stopped there before reaching the network. "If it's touching the Internet, it's safer on a Mac," he concludes.

Most Mac technical support personnel argue that the machines are far simpler to manage than Windows boxes. For example, when Genentech went through a recent upgrade on both its Mac and Windows systems, one technician could completely upgrade six OS X machines per day, while on the Windows side, one person could complete only two or sometimes three PCs each day. And for the entire company, seven technicians handle nearly 2,500 Macintoshes.

Eighty percent of Digital Strata Inc.'s business is Windows users. Dan Fischler, president of the Scotts Valley, Calif.-based IT consultancy, estimates that one tech support person can manage 50 to 75 Macs, whereas ideally, there should be one for every 20 to 25 Windows PCs.

That's because of the high level of integration between the hardware and the software in a Mac, suggests Gary Winterboer, IT support engineer at AeroVironment Inc., an aerospace design firm in Moorpark, Calif. For example, Apple includes its Server Assistant tool, which sets up an Xserve machine with a single click. And the Server Admin tool lets users turn individual features on or off with a mouse click.

No one expects Macs to displace Windows as the desktop of choice for general-purpose computing. But Apple has deflected intense competition in its core vertical markets. And, for the first time, it's becoming a credible contender as an alternative for servers inside the data center. © 2005

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COMPUTATION COMES TO LIFE

SOMEDAY, OUR MOST SOPHISTICATED CHIP FABRS COULD BE LIVING CELLS.
BY GARY H. ANTHES

FOR YEARS biologists have used computer models and high-performance computers to simulate and understand living processes. More recently, computer scientists have drawn inspiration from biology to immunize information systems against malware and to create algorithms that mutate without human intervention. In all such cases, the underlying computer architecture has remained traditional and unremarkable — software running on silicon-based digital processors.

But now researchers are taking the marriage of computer science and biology to a remarkable new level, turning cells into living computers with programmable DNA and biochemical memories, sensors, actuators and intercellular communication mechanisms.

MIT researcher Thomas Knight is a pioneer in the field, which he calls "synthetic biology." "In 1992, it became clear to me that the end of the road was coming for silicon," says Knight, who was a designer of integrated circuits at the time. "We would have to shift from electronics and physics to an approach in which chemistry is the fundamental technology. And the most sophisticated chemistry is biochemistry."

SHRINKING TARGETS

Chip-making processes today place atoms of silicon and dopants — impurities added to define the chip's electrical properties — crudely but well enough to make the chips work. As circuits shrink, however, it's getting harder to put the atoms, particularly the dopant atoms, in exactly the right places.

But biological processes for millions of years have been able to place single molecules and atoms in precisely the right order and locations. "Cells are good at building things — the most sophisticated factories we have," Knight says. "We as engineers have no clue at all how to do that."

Rather than wait centuries for conventional engineering to catch up, Knight and researchers at a handful of universities want to ride on the back of biology or, more precisely, inside the cell. Knight and a group of graduate students are building a tool kit of what they call BioBricks, standard parts that can be used to build programmable organisms.

Each of some 400 BioBricks is housed in a little vial of liquid containing copies of a carefully chosen and well-understood section of DNA. Each DNA



fragment can mimic in some way the operations of conventional computer circuits. BioBricks can be used individually to perform very simple tasks, or they can be spliced together to do higher-level work. They allow someone to build programmable organisms without understanding the underlying biology.

There are BioBricks that act as logic gates, performing simple Boolean operations such as AND, NOT, NOT AND, OR, NOT OR and so on. For example, the AND BioBrick generates an output signal when it gets a biochemical signal from both its inputs, whereas an OR BioBrick produces a signal if it gets a signal from either input.

These biological components work extremely slowly by the standards of conventional computers, performing their functions in seconds or minutes rather than nanoseconds, and Knight says they are unlikely ever to exceed millisecond-level performance. "But that doesn't mean you couldn't use bio-

logical components to produce, say, carbon nanotubes," he says, that in turn could be used to build molecular-scale high-performance computers.

Or, Knight says, it's possible that living factories made from BioBricks could help build ultradense silicon chips by placing the troublesome dopant atoms at just the right points on a silicon lattice.

Ron Weiss, a former student of Knight's and now a professor of electrical engineering and molecular biology at Princeton University, is working on digital logic inside cells and intercellular communications. He says it will be a long time before synthetic biology contributes directly to computer science. "But eventually we might come up with an abstraction that allows you to program billions of little biological computing elements that are not robust at all and don't have a lot of resources," Weiss says, "and that might be a useful paradigm for programming certain kinds of silicon-based computational devices."

SMART PLANTS, AND MORE

Scientists at the University of Alberta in Edmonton are trying to develop a plant whose leaf shape or flower color changes when a land mine is buried below it. Roots would have to be genetically altered to detect explosives traces in the soil and to communicate that information to the leaves or flowers.

That will require some kind of sensor circuit in the plants' root cells, plus an actuator circuit in the leaf or flower cells, with little real computation in between. But, Knight says, one can imagine more-sophisticated computational engines inside a plant's cell that would, for example, cause the plant to bloom on Mother's Day or prepare itself for frost or drought based on warnings input by human weather forecasters. "What's noteworthy about that kind of computation is not that it's wimpy and slow, but that it's in a special place — inside the cell," he says.

But he's clearly uncomfortable speculating about miraculous applications of synthetic biology. A great deal of effort must first go into developing the kinds of design and measurement tools and methods that conventional engineers take for granted. "It's boring, tedious work, but it's extremely important," he says.

The ability of biological circuits to self-replicate makes synthetic biology unique among all engineering disciplines, Knight says. "Tremendous power comes from that, and some dangers," he says.

Researchers at MIT are limiting their work to two kinds of agents. The first are natural agents that are 100% safe, and the second are engineered organisms "not known to consistently cause disease in healthy adult humans," the government's definition of Biosafety Level 1 on its four-level scale of infection dangers. And, Knight adds, his work involves simplifying organisms, not adding features that could make them dangerous.

The greater danger in synthetic biology, Knight says, comes from the possibility that others will exploit it for evil purposes. "All powerful technologies are dangerous, and we are creating a powerful technology," he says.

"Our best defense is our ability to do it faster, better and cheaper than anyone else." □ 52468

FUTURE WATCH

DONALD CELLS

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Greening Business Apps

Satya Nadella leads Microsoft's efforts to uncouple corporate applications to make them easier to deploy and integrate.



Q&A

With a dozen years' experience at Microsoft Corp., Satya Nadella has been put in charge of the company's Project Green initiative, which was first announced in 2003. The aim of the project is to rearchitect Microsoft's business-application offerings under a common, service-oriented architecture.

In a conversation with Computerworld's Robert Mitchell, Nadella discussed where Project Green stands now, outlined the road map for the initiative — which he stressed is all about “sequential progress” and not “big-bang deployments” — and explained Microsoft's take on “loosely coupled” computing. Nadella also described how Microsoft is developing its offerings for midmarket users.

With Microsoft CRM and acquisitions, you have all the elements of a midmarket ERP suite. Is that the plan? We got into this business through a series of acquisitions, and we did some homegrown development, such as Microsoft CRM. We have ERP products, Microsoft CRM and our small-business applications that are part of Microsoft Office. In ERP, we have Great Plains, Axapta, Solomon, Navision — these are the four major ERP brands for the midmarket.

How will these products evolve? People want things to be simpler, more flexible, and they want to drive down the total cost. But they also want lots of features within a given business domain. To make sense of all this, we first developed what we call the customer model. It has three elements. The first is people. [Users] need a bridge between their ad hoc communications

and their more structured, transactional work. The second thing is a business process complexity as defined by looking at an org chart. The number of people in a department sets the complexity, as opposed to the company size.

The last part is what we call work or process. People in departments are working on some business process.

How will the move toward a service-oriented architecture affect these programs? We found five horizontal attributes that customers are asking for. The first one is that end users want simpler, task-oriented, role-based user interfaces that will help them navigate through information models they already have. Great Plains or Solomon have a pretty robust data model and object model underneath, but what [the user] is really saying is, “How are you going to help me get to the data I want?”

The new [architecture] is business insight. Yes, they want reports, but small and medium-sized businesses are really managed by exception. We call it operational BI.

The third piece is [being] connected. There is no such thing as a business application, an ERP application, living in isolation. The first level is to be able to open up our systems using Web services so you allow for these composite applications that can be built in a loosely coupled fashion using the new trends of SOA.

So the way we integrate between CRM and ERP is through an SOA-based approach to integration, which is a loosely coupled, asynchronous way to bring these systems together.

The next [attribute] is what we call adaptive process. All business applications today have jobs and jobs of business logic in code. The problem is, business processes are not static. What we've found is that in time, any busi-

ness application gets out of sync with the actual process in the physical world, and that causes a lot of pain.

The real holy grail is to be able to take this thing that is written in code today and put it into a more modeled form. The [next challenge] is how do we go into the system and start putting in models so we can measure the longevity of the system, and more importantly, how can we make the system more adaptive to change?

The last piece is the process-centricity in our application design. That's where we're going, and that anchors our vision.

Is this where Project Green fits in? Project Green is one of those things that with a little help from us gets written up as different things by different people. Project Green is a bunch of research we're doing on those design pillars I talked about. It is also actual product delivery, of that research in the context of releases of Great Plains or Navision or CRM. Project Green is showing up in our products today. When we start taking the innards of the business logic of these apps and start putting models on them, putting them on a single model, that's when you'll start to see a change in convergence of our core code.

So, what is the product road map for Project Green? Our road map is not this big bang — there is a new product and go.



all of you migrate to it.” Our road map is all about sequential progress on these five design pillars. You can measure [our progress] by the last release we did, and every 24 to 36 months we'll have another one.

How far are you willing to go with componentization and disaggregation of Microsoft's business applications? We absolutely believe in componentization and disaggregation that doesn't break the final assembly, just saying. “Let's take SOA and apply it mindlessly to the entire core application” [doesn't work]. At the end of the day, there is a screen in front of the end user where he wants to be able to post a transaction. You have to draw the granularity boundaries very well. Otherwise, you just have components that can't be assembled.

Won't this approach lead to commodification of software components? The most important thing to me from a commodification perspective is it allows me to make the systems I have much more agile to change. And that's the reality of business applications.

What challenges does this world of componentized applications present? It is a Web services description, an API, as it is not an API. If people assume Web services are just APIs, you call them like you called them in the past, then you build systems that are no different.

You have to build more message-oriented systems. You now need to think through the workflow and control logic in your applications so that you're resilient to message passing. You can't have the control flow of your code be completely sequential and synchronous. You have to have a workflow, and you have to be in sync with it. That's a big mental shift.

Be careful, too, where you want to be asynchronous and message-oriented. You can't do a final transaction post in a journal in that form, because if you start doing that, you really are going to create all kinds of issues in terms of distributed transaction control and also the user experience.

Will componentization enable users to go to best-of-breed applications and mix and match, since presumably the integration costs will be less to do so? I believe... we will have more systems deployed in a decentralized fashion, and they will be easier to deploy and integrate. If they are not easier to integrate, it's easier for users to just buy one system. The beast that needs to be tamed in this case is all about integration cost. ☐ S2282

THE Greening OF Business Apps

Satya Nadella leads Microsoft's efforts to uncouple corporate applications to make them easier to deploy and integrate.

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Business Analytics

WHEN TODD ACHENSON, Internet systems manager at Ohio University, spent more than \$300,000 on two high-end Alpha servers in December, he also got something else: more time for his Tru64 Unix environment.

Like all Tru64 users, Achenson is facing a deadline. Hewlett-Packard Co. is discontinuing the Tru64 operating system and the Alpha server hardware it runs on. The double blow means that users must move applications to new operating systems and hardware platforms. But users who say Tru64's reliability, clustering and file management capabilities are second to none believe that they'll be trading down no matter what migration path they take.

HP will stop releasing new versions of Tru64 in December 2006 but continue support through at least 2011. The company released its final chip upgrade for Alpha servers last year but will continue to sell the servers through 2006.

Exploring Options

Many users are still deciding on a migration path, according to some consultants and vendors who work with Tru64 customers.

"We're just biding our time and looking at options," says Achenson, who has not decided on a migration path for critical network services managed by his 30 Alpha servers. He believes the two new servers will give the 25,000-student university in Athens, Ohio, up to two years of breathing room.

"I think the market is still grappling with it," says Vic Ahmed, CEO of Parsec Group Inc., a Denver-based consulting and training firm that is encouraging users to migrate to OpenVMS, which also has strong clustering capabilities. OpenVMS runs on Alpha, but HP recently ported it to Itanium. "There is still a pretty robust customer base on Tru64, and they are fairly happy with it," Ahmed says.

But some users weren't happy with HP's decision. "It's just a very big disappointment," says Nikola Milutinovic, Unix systems administrator at EPS JP Elektrovojvodina in Novi Sad, Serbia. The power company has decided on a Linux and Windows path for its Tru64 applications.

Achenson had been considering HP-UX. HP's recommended migration path, but reconsidered when HP announced in December that it was dropping plans to move Tru64 clustering and file management technology to HP-UX.

"That's been a big loss for us," says

With the Unix operating system on its way out, along with the Alpha hardware it runs on, Tru64 users must examine their options. *By Patrick Thibodeau*

Endgame FOR tru64

TRU64 HISTORY

Landmark dates:



HP'S PLAN

Tru64: Updated version due in 2005. HP has since announced a new version update for 2006 as well.

Alpha: HP will sell Tru64 Unix AlphaServer systems until at least 2006, with support until at least 2011.

Engineering support: For Tru64 v4.0F and v4.0G was extended last year until June 30, 2007.

Achenson. "The Tru64 customers have been left high and dry."

Instead, HP announced an agreement with Veritas Software Corp. to integrate similar clustering technology in HP-UX, says Mary Ellen Lewandowski, a senior product manager for Tru64. She sees the changes as an improvement in the Tru64 road map, not a setback.

For instance, the decision improves the clustering technology, allowing management of multiple clusters, which Tru64 doesn't have, says Lewandowski. "Our commitment to our customers is to make sure they have the best road map there is," she says.

Tru64 traces its origins to 1988 and

was owned for most of its life by Digital Equipment Corp. (see diagram). Digital was later acquired by Compaq Computer Corp., which merged with HP in 2002. HP quickly decided to retire Tru64. "You need to have one Unix that you are focused on, and HP-UX is a rock-solid Unix," says Lewandowski.

However HP justified the demise of Tru64, it was still difficult news for many users, such as the IT staff at BECU, formerly known as the Boeing Employees Credit Union. The Seattle-based firm is one of the largest credit unions in the U.S., with some \$5 billion in assets and nearly 400,000 members. BECU had been an Alpha shop for

more than a decade, running OpenVMS, but the credit union was undergoing a major upgrade in 2000 and 2001 that included a move to an Oracle database it wanted to run on Tru64 Unix.

HP's decision was hard to take, says Scott Wolfe, enterprise architect at BECU. "We felt like we went out on a limb to introduce Tru64, as opposed to other operating systems that had a larger customer base," he says.

In BECU's search for new platforms, IT infrastructure director Jim Ratcliff told his team members that they "weren't beholden" to HP and could look at other Unix systems.

BECU wasn't happy with HP's move, but decision-makers felt that HP would be on the extra step to ensure that the credit union's migration was successful — and they may have been right. For instance, after deciding to move to Integrity Itanium-based servers, BECU's project faced a major delay because Quest Software Inc.'s database replication software hadn't been tested for Itanium. Quest's CEO called HP and got the testing environment he needed to keep the credit union's project on schedule, says Ratcliff, who felt HP's fast response was an indication of the vendor's support.

Dwindling Support

Another reason Tru64 users will have to move off the system sooner rather than later is dwindling independent software vendor support.

Some vendors are applying HP's road map to their own products. For example, Fairfax Va.-based Datedat Inc. makes an ERP package used in higher education that runs on Alpha. It hopes to have most of its users off the operating system by the end of 2006, says John Van Wieren, technology product manager. The vendor also supports IBM AIX, Sun Solaris, HP-UX and Microsoft Windows and plans to support Red Hat Linux this year.

Datedat user Bucks County Community College in Newtown, Pa., moved to HP-UX last year when Tru64, Doug Bark, server network security manager, says many of the reasons for sticking with HP were business-related. The college has a long history with Tru64, as well as with HP systems generally, and believes HP will support its products.

Kenneth Farmer, a former systems administrator who operates the Tru64.org user forum, expects users will continue running the system "up until the very end, until they stop supporting it." ☎ 92601

Assessing a New App Infrastructure

Before Web-based applications can be deployed, our security manager has to find the vulnerabilities. By Mathias Thurman

FOR SEVERAL MONTHS, my company has been upgrading to Oracle 11i. This is not a trivial task, since we have dozens of critical revenue-generating applications that depend upon a successful upgrade and migration. A couple of weeks ago, the applications were ready to go live, and it was time for me to conduct a security assessment and mitigate any critical issues.

Oracle 11i provides for an Internet-based application infrastructure. Previously, we had to use mainly client-based applications. That was always a problem, because it required each user to download and install the software he needed. Many users ended up with a dozen or so applications on their workstations, leading to performance problems and troubles when there were upgrades or patches.

Now we will have a single Web-based interface into the various modules users may need. A user in the finance department, for example, can click on a link that will take him to the accounts receivable, general ledger or accounts payable applications, assuming he has access clearance. Other employees will be able to enter expense reports or procure equipment from a single browser window.

Of course, new deployments always require an assessment. In this case, this is even more critical, since vulnerabilities are typically more prevalent in Web-based applications.

Our practice is to divide our assessments into three core

areas: architecture, system and application.

As part of the architecture audit, we typically obtain all network diagrams, flowcharts, firewall rules, lists of administrators and accounts, and so on. We then take a rule-of-least-privilege approach. For example, when we understand how each application interacts with other areas of the infrastructure, we ensure that firewall rules allow for nothing more or less than the proper operation. We then look at the manner in which privileged accounts

are identified, managed and audited, making sure that users are configured with the appropriate permissions according to function. Next is the system audit. This entails running a variety of commercial and open-source tools against each system to ensure that they're installed without deviation from our security baseline and that administrators haven't made modifications that might leave a system vulnerable. For example, administrators sometimes create a ".rhosts" file in their home directory and place a "*" in that file. The .rhosts file allows the admin to

connect to the server with utilities such as rlogin without supplying a password, but a "*" in that file lets anyone connect to the server without a password. It's convenient for the admin, but it's a security no-no. Just prior to going live, we run a comprehensive script that checks each system for the presence of such files, as well as for file permissions, accounts, password policy, cron jobs, applications, patches and so on. We know what a baseline system should look like, and any deviations are noted. Once we've run the script, we take a snapshot of the system using a tool from Portland, Ore.-based Tripwire Inc.

We also use Nessus, an open-source port scanner, to find vulnerable services, such as one that is running but isn't needed or is outdated.

The Hard Part

The application audit is probably the most critical element of our assessment. We have a pretty good handle on server hardware and operating system configurations, since those are fairly static environments. Any deviations can be detected via Tripwire and attended to accordingly. Applications are the Wild West in comparison. We have hundreds of developers around the world who all create applications based on different methodologies and coding techniques. Although we would like to develop some standardization, that's difficult in a big company with a lot of development done offshore.

For this stage, we again use both commercial and open-source tools. We currently use WebInspect from Adams-Security based SPT Dynamics Inc. to crawl through a Web site and look for dozens of Web server and application vulnerabilities

such as SQL injection, cross-site scripting and authentication bypass attacks.

The results of the assessment were mixed. For the most part, the servers were configured within a previously defined baseline, with only a few deviations. In one case, a user enabled FTP on the server because we was too lazy to use Secure Copy to move files. On a few other servers, the administrator configured the system so that he could directly log in as Root.

But the application audits always seem to generate the most work. In this case, almost every application server had SQL injection vulnerabilities. A SQL injection attack allows a hacker to submit database commands through a form or via a URL that can be executed by the database. The fix involves enabling the application to recognize when those malicious requests are being submitted and to then reject them. This is also termed input validation.

In addition to the SQL injection vulnerabilities, developers had included sensitive information in the Comments fields of several scripts, and several Dynamo Application administration servers were configured with a default admin password.

There also were some minor Web server vulnerabilities, such as the ability to enumerate directories and view the contents of certain files, which could give a hacker valuable information.

The next step is to present these findings to the project managers and put together a mitigation plan. Once the plan is executed and the vulnerabilities are removed, we'll conduct a new assessment to ensure that there are no more open issues before we go live. ■

WHAT DO YOU THINK?

This week's panel is written by a real security manager, Mathias Thurman, whose name and employer have been disguised for obvious reasons. Contact him at mathias.thurman@photonics.com, or join the discussion on our forum: forum.computerworld.com

To find a complete archive of our Security Manager's Journal, go online to computerworld.com/techjournal

SECURITY LOG

Security Bookshelf

© Troubleshooting Linux Firewalls, by Michael Shiban and Scott Shiban (Addison-Wesley Professional, 2004).

Despite the title, I found this book better suited as a how-to guide for building Linux-based firewalls. If you're looking for a robust firewall but don't want to buy a commercial product, Linux is for you. And you'll want to pick up this book, which describes the planning, designing and building of Linux-based firewalls. The authors' expertise is immediately apparent, from a clearly written overview of IPTables and NETFILTER to command-line arguments and step-by-step procedures. Especially useful are their frequent examples, explanations of tools and sample firewall rules with detailed explanations.

—Shirley Thomas

Laptops Stolen From Contractor

U.S. government contractor Systems Applications International Corp. last week reported that laptop computers containing personal information about the company's stakeholders were stolen during a break-in at its corporate offices in New York. The firm, 50 employees, is accused of having been involved in a bid to help the administration of the U.S. government's contracting business, which was not affected, according to SAI officials.

Warm Shows Up On U.S. Phones

The Cold war, which ended nearly 50 years ago, may be coming back. The U.S. and Russia are now in a new kind of relationship, one that is more like a cold war than a hot war. The U.S. and Russia are now in a new kind of relationship, one that is more like a cold war than a hot war. The U.S. and Russia are now in a new kind of relationship, one that is more like a cold war than a hot war.



BRIEFS

Informatica Unveils Integration App

■ Data integration software maker Informatica Corp. has announced the PowerCenter Advanced Edition integration system. The application bundles together metadata management and data visualization technology, according to the Redwood City, Calif.-based company. PowerCenter Advanced Edition ships March 1. Pricing starts at \$980,000.

NEC Releases Midrange Server

■ NEC Solutions (America) Inc. in Santa Clara, Calif., has unveiled the Express6000/320Lx midrange server. The product combines software monitoring tools and a hardware fault-tolerant system in one server. It includes redundant virtual I/O drivers for instant fail-over and support for dynamic re-synchronization of memory and processors, NEC said. The server, available now, starts at \$24,999.

Novell Initiates Open-Source Effort

■ Waterloo, Mass.-based Novell Inc. has established a community project called Hula to create an open-source collaboration server. The server will provide online and e-mail functionality. Hula will be based on code taken from Novell's NetMail collaboration server product. Novell contributed more than 200,000 lines of source code to launch the effort.

Hitachi Upgrades Management Suite

■ Hitachi Data Systems Corp. has announced enhancements to its HSCCommand suite of management products, including advanced support for Windows Server 2000. Hitachi also has improved measurement, analysis and diagnostic capabilities and added support for logical partitions, including external storage on the Hitachi TagmaStore Universal Storage Platform.

DOUGLAS SCHWEITZER

Two Sides of Vulnerability Scanning

THERE ARE TWO APPROACHES to network vulnerability scanning, active and passive. The active approach encompasses everything an organization does to foil system breaches, while the passive (or monitoring) approach entails all the ways the organization oversees system security. When making buying decisions

for your organization, it's a mistake to think that you have to choose between the two types of protection.

The passive approach allows security personnel to monitor which operating systems are in use; what is being sent to, from and within the system; which services are available; and where parts of the system may be vulnerable to the security threats. The active approach, on the other hand, offers much information about system and application vulnerabilities.

Active scanning tools are used where constant vigilance is required. They have a specific area of focus that the product is programmed to monitor. (And they are sometimes configured to prevent particular situations as well, such as the use of USB key chains on a network.) Their core monitoring functionality is generally very rigid and can't be easily customized or extended.

When an organization uses the passive approach in scanning its LAN, the information obtained will normally include data pertaining to the hosts in the network — which ports are open, which service versions are being maintained and which services are running.

There is a huge potential with passive analysis because it allows you to assess the vulnerability of your soft-



ware without interfering with the client or server. This technology facilitates IT asset management, since it allows an IT manager to instantly get a list of which users are running vulnerable copies of certain software programs.

When combined with passive vulnerability scanning, an active scan can help provide a more complete picture of the

software load-out on client-side systems, as well as on servers. In short, the two types of scanners complement each other.

When it comes to selecting the right passive scanning product for your organization, there is no shortage of options. Tenable Network Security, for example, offers a product called NeVO. The NeVO vulnerability monitor can determine what's happening on your network without having to actively scan it. NeVO runs 24/7 and helps uncover whether any new hosts, ports, services or vulnerabilities have suddenly appeared since the last active scan of the network was performed. Although NeVO uses its own pattern matching and signature language to detect potential threats, Tenable does publish new NeVO signatures regularly, allowing you to easily keep this product up to date.

Guardian Digital's flagship operating platform, EnGarde Secure Linux, is

another example of a passive security tool with intrusion-detection capabilities to assist users in pinpointing security threats. Guardian also offers the Internet Defense and Detection System, which the company claims is the first open-source IDS application to provide both enhanced intrusion-detection and -prevention capabilities in one system.

Highly customizable software such as GFI Software's LANguard Network Security Scanner is another example of a passive scanner that can unearth a wide range of security issues on your computer network. GFI also produces an active scanner called the LANguard Portable Storage Control, which is best applied to plug holes in very specific areas that have been identified by the passive scanner tools.

When deciding which approach to use on your network, remember that the key difference between the two approaches to security is action. Passive security involves providing notification of potential security issues, yet it allows those issues to continue until the administrator takes action. An active security system, on the other hand, alerts administrators of any issues in question and also takes measures to prevent them from causing damage, such as blocking the offending IP address or closing off the port.

The bottom line is that passive scanning in systems can expose a lot of information about all aspects of the system in normal communications without intruding upon operations. Active scanning has the potential to discover more information, and when combined with passive scanning, it gives a more complete picture. The wise IT manager will use both. ☐ 02991

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The Business Case for Linux

Building a formal business case for Linux is becoming increasingly important as more companies consider the open-source operating system for mission-critical applications. **Page 36**

New Project Perils

Just when you think you've got project management under control, fallout from the Sarbanes-Oxley Act and other new regulations can blow up your budget and your deadline. **Page 40**



Career Watch

CIO John Campbell answers a reader's question about project management skills. Plus, there's more bad news on IT salaries, and we look at some offshoring numbers. **Page 41**

City CIOs are using hot new technologies to raise revenue — and IT's status.

BY MATT HAMBLÉN

AFTER YEARS of operating out of the limelight, city CIOs are taking starring roles as municipal governments begin launching new technologies to cut costs or earn revenue.

The job market for city CIOs is heating up, but the required skills reach far beyond technology. To sell their governments and the public on new ideas like wireless broadband, municipal CIOs also need sharp communication skills and political know-how.

"Street smarts are needed," says Dlanah Neff, CIO for the city of Philadelphia. City CIOs today "need to be more political, absolutely," she adds.

Neff survived a major political battle last year over city-provided wireless hot zones that would compete with offerings from private-sector carriers. "Politics was never in any of our training agendas to become CIOs," she says, "but [being politically savvy] is more of our job today."

BEYOND TECHNOLOGY

Cities are looking for CIOs who are politically astute, have an eye on security, can improve city services such as public safety with a limited budget and can keep IT costs down, says Adam Koba, vice chairman of Christian & Timbers, an executive recruitment firm in New York. "It's a big job, and if the city CIO messes up, it can be a public nightmare," he adds.

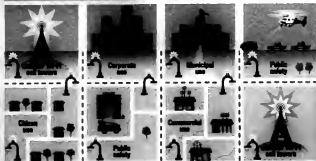
Neff knows the dangers. Last fall, she had what she calls an "unbelievable" experience dealing with the Pennsylvania legislature and lobbyists for local exchange carriers. It ultimately resulted in passage of legislation permitting Philadelphia to move forward with the creation of wireless mesh hot zones but re-



POLITICAL Animals

CITYWIDE HOT ZONES

New technology uses street lamps to build a mesh of Wi-Fi hot zones.



Out of the Engine Room

One leading-edge technology being deployed in U.S. cities is known as *mesh* wireless mesh hot zones. Based on the concept of Wi-Fi hot zones, they cover broader areas than the Wi-Fi hot spots in shopping malls and airports.

Some cities are building these hot zones for public safety needs. Others have gone further and are offering fast wireless connections to homeowners and businesses to replace cable modem and DSL services sold by the private sector.

Tropics Networks Inc. in Sunnyvale, Calif., has sold its Wi-Fi mesh routers to 125 cities, according to CEO Ron

Sege. The devices are deployed from city street lamps in a mesh design of about 10 routers per square mile, giving 1Mb/sec. connectivity using the 802.11 specification, he says. "It's quite a phenomenon, and the demand is increasing rapidly," Sege says, noting that Dallas and Philadelphia have deployed some of the routers, and other large cities, including Boston, Houston and New York, are in the early stages of considering the technology.

In some cases, Wi-Fi mesh zones can generate revenue for cities, putting COOs and their IT shops in the unusual role of profit center rather than cost center. "COOs are excited to be doing something so visible in the community," Sege says. "They are out of the engine room and into the wheelhouse."

-Mort Hamblin

stricting other jurisdictions in the state from doing so. "We won the battle but lost the war," she recalls.

Neff had been the top IT professional at four other cities, but last year's battle taught her how to work with a much more diverse group of stakeholders than she ever had before, including state legislators, private-sector lobbyists and citizens groups of all flavors. "It has really broadened my scope of influence," she says.

The past year has taught Neff that city CIOs more than ever need good people skills and especially the ability to advocate for technology for a broad audi-

ence unversed in IT. "I've learned that you don't talk to a mayor about grid computing," she says. "You talk about how this technology is going to reduce costs."

Other city IT leaders agree that their roles are more vital — and more demanding — than ever. Bill Martin, information systems director for Milpitas, Calif., says his job has become more complex as the IT department has gotten more involved with general operations and city planning. For example, IT is helping urban planning groups decide where conduits for data cables will be run.

"There was a time we were known as data processing in the basement — a part of the finance department," Marion says. "Now we're a separate department that's interfacing with the public."

Milpitas has deployed mesh Wi-Fi for public-safety officials, and the technology will be evaluated for use by citizens. Meanwhile, he's deploying another innovative technology to transform IT's image as a cost center: Milpitas has provided a homegrown geographic information system to government entities outside of Milpitas for a fee.

Like many municipal CIOs, Brian Anderson of the city of Dallas is simultaneously concerned with innovation and cost-cutting. While Dallas is considering wireless mesh networks for public safety and public works, Anderson is also looking into cost savings from Web services and reductions in desktop operations. "I am the point man for so many things," he says.

Anderson agrees that political know-how is a must for today's city CIOs, but he stresses that, like their corporate counterparts, they need to understand their businesses. "We really need to understand the city's problems," he says. For example, if wireless broadband is offered to citizens, a city CIO needs to evaluate what city services will evolve from it and what fees or revenues might result, Anderson says.

HOT JOB

Kohn says he sees a trend toward greater interest in city CIO jobs, which have appeared on his "hot jobs" list for the first time in a decade. "Because of increasing [technology] demands on municipalities, this CIO job cannot be ignored," Kohn says. "The city CIO holds the key to security and services."

Big cities are "very competitive with each other" for IT talent, he adds. "The city CIO really is a hot job now and will be for the rest of the decade."

Although new technologies and the challenges they present may make such jobs more exciting, the salaries are still substantially below those of CIOs in the private sector, Kohn says. But he adds that successful city CIOs aren't in it for the money. "City CIOs all believe in supporting the government's overriding mission of serving the citizenry, and they all also like challenges," Kohn says.

Marion agrees, and he notes that cities tend to offer more secure retirement benefits than the private sector, somewhat compensating for the smaller paycheck.

But the main reward in seeing new technology work for the public good. "We all get excited when we see the wireless technology on the fire trucks," he says. ☐

The political fallout from the implementation of wireless broadband by dozens of city governments has grown dramatically in recent months.

Philadelphia COO Deborah Hoff saw into her role lobbying for service providers in the Pennsylvania statehouse last November. And in early February, a Washington-based research group led by telecommunications providers launched a media assault on wireless broadband plans. The New Millennium Research Council (NMRC) condemns the use of public lands to establish broadband access to homes and businesses.

Saying these are "years free," in the wireless rollout and trials have under way in more than 125 cities, the NMRC alleges that "unauthorized Wi-Fi networks present a number of serious

problems that are being overlooked as cities rush into committing millions in taxpayer dollars to pay for network development and expansion." The rollout will have "a detrimental effect on city budgets and on competitors in the telecommunications industry," the NMRC says.

Critics of the report claim that it's biased toward the telecommunications industry. NMRC is headed by Isaac Dymovits Inc., a well-known Washington-based lobbying firm for U.S. telecommunications companies, including those for light metropolitan wireless efforts in the Pennsylvania legislature.

NMRC denies any bias in its report, which was written by U.S. Internet Industry Association President David McClure and Heartland Institute Senior Fellow Steven Thaler, among others. (Computerworld's Robert L. Mitchell is among those who believe

that it's a bad idea for cities to get into the business of providing wireless broadband access; see QuickLink 52647.)

On another front in the Wi-Fi wars, Strategy Analytics Inc., a research and consulting firm in Newton, Mass., released a study that tumbles the financial impact of all free Wi-Fi hot spots and zones — from those in Starbucks coffee houses to municipal wireless projects — on traditional cellular providers such as Verizon Wireless and Cingular Wireless LLC.

It reports that free Wi-Fi, as well as aggressive pricing of Wi-Fi capabilities from other traditional service providers, will place as much as \$72 billion of the projected profits of U.S. wireless operators at risk through 2008. That will happen as U.S. operators invest \$100 billion in advanced wireless networks.

-Mort Hamblin



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The Business Case for Linux

As open-source goes mainstream, Linux needs to clear the same hurdles as other operating systems. BY CAROL SLIWA

WHEN CENDANT Corp.'s Travel Distribution Services (TDS) division considered shifting its airline-fare system to Linux on Intel-based servers, the IT department couldn't simply flip the switch. The system handles 700 transactions per second in the course of processing millions of fares from more than 500 airlines around the world. So the IT team set aside a few months to do a careful analysis of the business case.

Now that Linux is more commonly viewed as a mainstream option for mission-critical functions, IT managers are increasingly evaluating the open-source operating system with the same due diligence with which they compare commercial offerings, according to industry analysts.

"It's not a science project anymore," says Julie Giera, an analyst at Forrester Research Inc. "At this point, Linux shouldn't be different than any other commercial software package you buy. The rules should be the same. The level of scrutiny should be the same, and the process for approval should be the same."

A key first step is establishing the criteria by which Linux will be judged. Enterprise Linux use has concentrated on the server, and decisions are generally made in concert with moves to cheaper hardware. So the business case is usually built for the hardware and the software operating system at the same time.

Two years ago, Chicago Mercantile Exchange Inc. (CME) was paying \$20,000 to \$40,000 for each of its Sun Microsystems Inc. servers running Solaris, according to Joe Panfil, the company's director of enterprise technology. When the CME needed to add capacity, the IT team was anxious to see if it could reduce the server costs.

Linux servers were priced at about \$3,000 apiece, and a Red Hat Inc. support subscription tacked on another \$400 per box, Panfil says. Even though the operating system can be downloaded for free, serious users typically don't want to risk running Linux without a support contract, especially if they're running mission-critical applications on it.

But cost wasn't the sole metric in the business case, particularly after Sun began to drop its server prices. The CME had to be sure that its critical third-party software products — Tibco Software Inc.'s middleware, BEA Systems Inc.'s WebLogic application server and Oracle databases — were certified to run on Linux, Panfil says. Transaction speed was another key driver. The CME makes money based on the number of trades it can process, so every millisecond it shaves off the round-trip trading time counts.

But none of that would matter if the system didn't run reliably on Linux. Internally developed electronic trading, clearing and regulatory applications needed to be ported to Linux, and developers needed training to write code optimized for Linux.

Proving the Case

Once the metrics are established, it's time to test. For Orbitz Inc., that meant bringing together four members of its software team and four members of its hardware engineering team when the leases for the Sun servers that ran its BEA application servers were due to expire in the summer of 2002.

On paper, Linux made sense for Orbitz. The Chicago-based online travel service had the skills, infrastructure and tools to work with the open-source operating system, since the low-fare search engine it licensed from

ITA Software Inc. already ran on Red Hat's Linux distribution.

But Orbitz still needed to make sure its WebLogic application servers would perform as well on Linux on Intel-based hardware as they had on Sun Solaris servers, taking into account new functionality the travel company was planning for its site.

So the Orbitz IT team consulted with the finance and product marketing departments to find out which new features they wanted and how much additional traffic they expected. Orbitz architects estimated what it would take to deliver the new features, and then systems engineers determined the hardware capacity that would be needed.

Orbitz did a CPU-for-CPU comparison of Intel Corp. processors running Linux against Sun Sparc processors running Solaris and found that the Intel CPUs performed twice as well, according to chief Internet architect Leo Chism. Orbitz then calculated the incremental cost of purchasing new servers from Sun and compared that with the amount it would spend if it adopted the open-source model and used greater numbers of smaller commodity servers. It also factored in the additional overhead required to manage the Linux servers. "We did that business case" over three months, says Pete Stoneberg, director of systems engineering, "and it clearly came out in the open-source Linux camp."

Cendant TDS built a lab to test 3-GHz Intel chips on right-way IBM servers against the 900-MHz Sparc chips it had been using on 24-way Sun boxes. The goal was to see if its 360 Degrees Fares application could scale out through smaller, redundant Linux servers and reliably process an equivalent number of transactions in the same amount of time as the larger, more expensive Unix hardware.

"For our company, stability is important. We believed we could get high levels of stability through a highly redundant system built on lots of low-cost, high-performing Intel boxes," says Robert Wiseman, chief technology officer at Cendant TDS. "It turned out, for this application, we could run at least as many transactions through the Intel boxes as the Unix boxes."

Final Tweak

That wasn't the end of it. The team ran the application for 30 days and found Unix more forgiving of problems such as memory leaks. Developers spent about three months tweaking the application code to deal with the slight operating system differences between Unix and Linux. "But at the end of the day," Wiseman says, "the redundant architecture we created with the Linux environment gave us better stability."

The next step was determining the number of boxes needed, based on the number of transactions the hardware is capable of handling, and determining the headroom Cendant TDS wanted above the peak load. The numbers told the story.

"The cost of building out our platform on Linux versus continuing to build on Unix was 90% less expensive," says Wiseman. "It was dramatic."

The business case for Linux also won the day at the CME, saving the exchange an estimated \$2.8 million last year. "We had a lot of preplanning and thought in front of the move," Panfil says. "Where we've needed faster servers and cost reductions, we've implemented it, and we're happy."

But the evaluation is ongoing. "We're always going to be looking at new technologies," he says. "If Solaris 10 proves to be just as fast as Linux and more reliable, we'll implement it on our commodity servers." □ **ESW**

Open-Source Costs, Benefits and Risks

SOURCE: FORRESTER RESEARCH INC., CAMBRIDGE, MASS.

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NEW PROJECT ■ Perils

Shifting regulatory terrain raises new obstacles for project managers. **BY STACY COLLETT**

AT JET BLUE AIRWAYS CORP., Vice President of IT Todd Thompson mapped out an aggressive IT schedule for a new payroll system and a slew of other projects to be completed by the end of 2005. But the company's controller had different ideas.

"You can't go live in the fourth quarter," she announced. The reason: The Sarbanes-Oxley Act calls for the toughest oversight yet of companies' financial reporting practices. As a result, auditors now look at any new financial systems deployed in the fourth quarter of the year as red flags.

Just when veteran project managers thought they had navigated the toughest project pitfalls, the terrain has shifted. Regulations introduced over

the past few years are wreaking havoc with otherwise solid project plans. These changes can blow up project deadlines and budgets, drain staff and force project managers into the role of privacy police. Here are some of the obstacles in the new project landscape.

FOURTH-QUARTER TRAPS. The reporting requirements brought on by Sarbanes-Oxley have controllers putting the brakes on financial IT projects in the fourth quarter, says Holly Nelson, controller at Jet Blue.

In the real world, most projects are completed in the fourth quarter, says Catherine Tomczyk, a project manager at First Data Government Solutions Inc. in Greenwood Village, Colo. But in the financial realm, big expenses near year's end can give auditors the im-

pression that someone is using up funds so they don't lose them.

Fourth-quarter projects may also raise auditors' suspicions that upgrades or new software may have been added without the proper controls in place.

Financial projects not scheduled with this in mind could be delayed until the first of the year and perhaps even lose funding, or IT could be pressured to bring projects live too soon.

AUDIT OVERKILL. Project managers at financial services firms also face other regulatory fallout, such as concerns raised by the Fair and Accurate Credit Transactions Act and the Fair Credit Reporting Act, which govern the storage and protection of consumer credit information.

At nonprofit student-loan provider Chela Financial Resources Inc. in San Francisco, students' credit scores are required to process applications, but the need to protect that information can lead to audit overkill. "We're working on one project now where we have three layers involved in the early requirements phase" because the regulations regarding how the data can be stored and protected are so specific, says Virginia Robbins, CIO and a Computerworld columnist. "Historically, we would only have one."

The bottom line: "More opinions mean more time, more money, and the cost of the project goes up," she says.

TALENT DRAIN. The USA Patriot Act is hampering the use of foreign nationals in U.S. projects. The act includes tight guidelines on the use of foreign workers on federal government projects, and it restricts their access to company information and facilities. The effect on projects can range from a nuisance to a serious blow.

At First Data, many members of Tomczyk's team are foreign nationals. "The day [the Patriot Act] went into effect, everything came to a crashing halt," she recalls. "My lead architect, two top developers and my whole mainframe group — close to 15 people — had to move to another wing of the building. We had to find space that wasn't in a secure area. We had to change IDs and passwords. They couldn't come in after hours. They had to be escorted everywhere."

The result: lost time, increased expense and lower morale.

INTELLECTUAL PROPERTY PROBLEMS. In the Internet age, intellectual property is on everyone's mind. Too often, protecting it becomes

SUCCESS FACTORS

In November, the Standish Group International Inc., whose Project Chorus has been following project management successes and failures for more than a decade, listed its latest findings on what makes projects succeed. Here are Standish's success factors (in brief), with some additional observations about how the difficult new IT landscape makes success even more elusive.

- **User involvement.** But lately, some users have not only taken the lead, they also excluded IT from project planning.
- **Executive management support.**
- **Clear business objectives.**
- **Experienced project manager.**
- **Minimal scope and requirements.** Avoiding scope and requirement creep has always been a challenge, but now regulatory requirements are adding cost and complexity to projects everywhere.
- **Narrative and agile process.** Layers of regulatory red tape are further slowing project teams' response times.
- **Minimal personnel.** The USA Patriot Act views project teams as foreign talent.
- **Formal methodology.**
- **Financial management.** Lately, some financial officers are letting audit red flags dictate project agendas.
- **Standard tools and infrastructure.**

the project manager's responsibility. "Every time you change the look and feel of a Web site, you have to re-copyright it," says Tomczyk. "Sometimes you're turning it out so fast, it becomes [the project manager's] responsibility to change copyright data."

Protecting intellectual property is even more challenging when part of a project is outsourced. In India and much of Asia, contractual agreements about copyright protection can be virtually useless, says Gopal Kapur, president of the Center for Project Management in San Ramon, Calif. "Contracts don't do anything [in India] unless employees have been trained" on copyright protection, he says.

Protecting sensitive company or consumer information is another challenge. Kapur recently visited a medical transcription outsourcing firm in India and learned that medical information from U.S. patients was openly available on its databases.

When part or all of a project is outsourced, building in red protections against copyright and intellectual property abuses can eat up time and resources. **■ 82810**

Collett is a Computerworld contributing writer in Chicago. You can contact her at stcollett@aol.com.

A LITTLE KNOWLEDGE

As young business managers get better versed in technology, IT project managers are finding that a little knowledge can be a dangerous thing.

Business managers sometimes think they understand all the IT issues and don't invite input from IT staff, says Virginia Robbins, CIO at Chela Financial Resources. "We've seen more team meetings [to launch new projects] where the technology [group] is not present," says Robbins.

But when these young gear miscommunicate, budgets can skyrocket. On one such project, IT folks finally came in a

third of the way through, Robbins says. When they checked on the technical requirements, "the cost-benefit analysis changed by five times," she says.

Realizing she needed a player in the game, Robbins chose an IT manager and reenvisioned his role as a "business owner of IT." He now represents IT business interests at every new project meeting. "It's at the same level as these other managers," she says. "He is their peer."

He's also the IT group's early warning device, Robbins says.

—Stacy Collett

Career Watch

BY J. J. FROST AND J. J. FROST



I have been in the IT field since 1978 as a junior programmer and am working my way up to a system analyst. Presently, I am enrolled in a study program to achieve a certificate in IT project management and a secondary certificate in business analysis. What are the job prospects for this combination? It's very encouraging to see that you are furthering your education. Continued learning and skill development are critical, given the pace of technology change and the highly competitive business environment. Project management skills have

been in high demand over the past several years, and the demand seems to be increasing. Companies now realize the importance project management plays in successfully deploying technology solutions.

It has been criticized for not delivering an acceptable return on investment. An organization that values and embraces a strong project management culture is more likely to generate a higher documented ROI on technology initiatives. Training in project management should entail more than just how to plan, organize, staff and manage a series of technical tasks. It is important to address the business aspects, such as business process flows, requirements gathering, user-acceptance testing and, most important, business change management.

Business analysts are often called upon to assist with the extraction, interpretation, development and documentation of business rules, requirements and test plans. Business analysts might reside in IT or in a business unit. In either case, they need to have a thorough understanding of the business function they are supporting.

The job prospects for someone with training and experience in project management and business analyst techniques are extremely good. I would encourage you to complete the PMP certification awarded by the Project Management Institute. Look for companies that have a formal project management office. You may be hired as a business analyst, project coordinator or junior project manager. From there, you can learn the business and will have opportunities in project management for the industry you have chosen.

MORE BAD NEWS ON IT SALARIES

LAST YEAR, overall salaries for IT professionals dropped to levels not seen since 2004, according to a survey Data Inc. released this month. But professionals in defense and government-related industries were immune to the trend, probably helped by greater spending since Sept. 11, 2001, the company said. The average salary for IT workers decreased 2.6%, from \$89,800 in 2005 to \$87,800 last year, according to Data, which surveyed 28,000 technology professionals.

One significant trend is that professionals in the government and defense sectors, as well as affiliated industries, saw their average salary rise from \$84,800 to \$88,500, putting their colleagues in both the manufacturing

and Internet services sectors.

"The spending for hardware security and defense is the main factor," said

Scott Maland, CEO and president of Data, which runs Data.com, home of one of the largest online technology-focused job boards in the U.S.

The growth in the defense technology market was also mirrored by changes in geographical statistics. Survey respondents in San Diego and Los Angeles reported a higher increase in their average salaries than did

their colleagues in Silicon Valley. Several defense-related companies are located in Southern California. And Maland said defense spending is probably the reason behind job growth in Washington.

BY JOHN BORTCH, DOW NEWS SERVICE

OFFSHORE FOCUS

WHAT COUNTRY is gaining the most as India as a destination for offshore IT work? China and the Philippines might spring to mind, but they have nothing on Poland. Of course, Poland can't compete with India for the sheer number of IT jobs it hosts. But according to a study by Frost & Sullivan Ltd., for the three years from 2002 through 2004, Poland had a compound annual growth rate (CAGR) of 40.1% for outsourced IT workers in captive companies — those owned by the outsourcing clients — and 58.72% for outsourcing service pro-

viders. In India, the CAGR was 11.36% for captives and 12.32% for service providers. Jared Carleton, an analyst at Frost & Sullivan, says Poland's attractions include a highly educated workforce and financial grants the government has made available to all industries, including IT.

And how many jobs did companies in developed countries send offshore? During the period studied, the high-cost nations analyzed (see chart) recorded the number of IT jobs sent overseas by \$26,540, for a total of 7,599,540. © 82541



SOURCE: Data collected over a three-year period (2002-04) through 82541 questionnaires. All respondents were committed to ensure that they were decision-makers in IT matters. Employers covered in the report ranged in size from small operations with fewer than 50 employees to global companies with more than 100,000 employees working in several countries. Frost & Sullivan also conducted interviews with company and government officials in 14 countries.

SOURCE: Frost & Sullivan Ltd.

Career Watch

ASK A PREMIER 100 LEADER



Simon
vice president
and CIO

American
Modern Insurance
Group Inc.,
Amherst, Ohio

Campbell is this month's guest Premier 100 IT Leader, answering a reader's question about project management skills. If you have a question you'd like to pose to one of our Premier 100 IT Leaders, send it to

and watch for this column each month.

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One significant trend is that professionals in the government and defense sectors, as well as affiliated industries, saw their average salary rise from \$64,600 to \$68,500, passing their colleagues in both the manufacturing

and Internet services sectors.

"The spending for homeland security and defense is the main factor," said

Scott Melland, CEO and president of Dice, which runs Dice.com, home of one of the largest online technology-focused job boards in the U.S.

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■ JOHAN BOSTROM, IDS NEWS SERVICE

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WHAT COUNTRY is gaining the most on as a destination for offshore IT work? China and the Philippines might spring to mind, but they have nothing on Poland. Of course, Poland can't compare with India for the sheer number of IT jobs it hosts. But according to a study by Frost & Sullivan Ltd., for the three years from 2002 through 2004, Poland had a compound annual growth rate (CAGR) of 40.11% for out-sourced IT workers in captive companies—those owned by the outsourcing clients—and 58.72% for outsourcing service pro-

viders. In India, the CAGR was 11.36% for captives and 12.32% for service providers. Jared Carleton, an analyst at Frost & Sullivan, says Poland's attractions include a highly educated workforce and financial grants the government has made available to all industries, including IT.

And how many jobs did companies in developed countries send offshore? During the period studied, the high-cost nations analyzed (see chart) increased the number of IT jobs sent overseas by 826,540, for a total of 7,599,540. ■ **CS241**

JOB EXPORT TALLY, 2002-04

COUNTRY	2002	2003	2004	CAGR
Poland	2,310,019	2,432,461	2,663,904	40.11%
Philippines	462,850	482,618	485,046	12.32%
China	447,883	458,661	471,242	11.36%
India	934,835	971,994	985,153	12.32%
U.S.	2,316,855	2,499,927	2,656,090	12.32%
Other	300,459	306,456	338,106	12.32%

BASE: Data collected over a three-year period (2002-04) through BDO questionnaire. All respondents were screened to ensure that they were decision makers at IT matters. Employers covered in the report ranged in size from small start-ups with fewer than 50 employees to global companies with more than 100,000 employees, including a special category: Frost & Sullivan also conducted interviews with company and government officials in 14 countries.

SOURCE: Frost & Sullivan Ltd.

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GEORGE TILLMANN

Innovation Doesn't Rust

"EVERYTHING that can be invented has been invented."
 This is the often-published quote attributed to Charles H. Duell, U.S. Commissioner of Patents in 1899, suggesting that the patent office be permanently closed,

since there was nothing left to invent. This statement, it turns out, was somewhat premature and overly simplistic.

Similarly, there has been a lot of discussion recently about the predicted end of innovation coming out of IT and of IT as we know it. The most recent and most discussed predictions come from Nicholas G. Carr in his book *Does IT Matter?* (Harvard Business School Press, 2004). Carr sees historical parallels in the introduction, spread



and eventual commoditization of all innovative technology, IT included.

He argues that an emerging technology can provide competitive advantage in the beginning, but that advantage quickly fades and innovation dries up as the technology becomes mature and ubiquitous. At that point, Carr says, we should stop assuming that it will provide future competitive advantage and treat it as a utility, where innovation is limited to controlling costs and managing service risk [QuickLinks 37990 and 46432].

Some agree that the days of IT-enabled innovation are over. Everyone has computers, everyone has networks, and everyone buys packaged software from the same suppliers. IT innovation is dead, so it's best to hunker down and accept IT as a utility.

But are these observers looking at the right IT? If you consider IT to be

hardware, cables and silicon, then Carr and the others are probably correct. The advances attributed to IT can't be maintained if everyone has what everyone else has. We saw this in the erosion of the advantages early computer adopters experienced decades ago.

The physical properties of the silicon and copper of computer hardware limit what we can do with them. Even Martha Stewart doesn't have an infinite number of uses for pine

cones and tofs. At some point, innovation simply becomes exhausted.

But there's another IT, an IT of ideas that doesn't grow old or become marginalized. It's this IT that created the innovative services that changed how we bank, build cars and communicate with the kids at summer camp. And if Carr is wrong, this may be the IT that cures disease, supports human colonies on Mars and maybe even makes sense of our taxes.

This is the IT of software — an IT quite different from the one of silicon and copper, because software, next to poetry, is perhaps the most conceptual of human creations. Software is an extension of human thought, and it will never be built out. Good innovators will always be able to stay ahead of their imitators.

Innovative companies have known about the two ITs for years. For exam-

ple, more than a decade ago, companies in the securities industry were competing to build the automated systems that gave us the hedging and arbitrage program trading of the late 1980s and early 1990s.

If you had visited the groups that developed these tools, you would have seen that they weren't doing the data processing that produces your paycheck. This IT was a separate unit, often at a separate location, staffed by people who might never have been in the main data center. This IT was funded to create the systems they hoped would provide competitive advantage.

These companies knew that the differentiator between a utility and an innovative development organization wasn't the CPU, the disk drives or the networks; it was the minds of the individuals who created the software. Competitors, all using the same silicon and copper, produced results that couldn't have been more different. And what was the cause of that difference? Pure thought!

Carr is partially right: Companies should rein in the costs of the commodity IT that thrives on hardware and fiber. But IT for competitive advantage demands a separate and totally different treatment. It's not in danger of coming to an end or running out of innovation. The technology will continue to provide competitive advantage for as long as there are creative thoughts and a willingness to document them in programs.

Oh, and about Patent Commissioner Duell's comment that everything that can be invented has been invented: He never said it. Though often quoted and referenced, it simply isn't true. Commissioner Duell had more sense than that. ■ 82446

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FRANK HAYES • FRANKLY SPEAKING

Paris Hilton & You

IT DIDN'T REQUIRE a California law for data-theft victims to be notified after Paris Hilton's phone book hit the Web a week ago. Oh, they knew. Dozens of celebs, ranging from rapper Eminem to tennis babe Anna Kournikova, suffered through hundreds of calls from fans, pranksters and anyone else who found the contents of Hilton's T-Mobile cell phone on the Internet. There were also snapshots, to-do lists and transcripts of Hilton's text-messaging chats. But what caught headlines were the phone numbers of all those poor, beleaguered B-listers, suddenly out there where any nobody with a dialing finger could call them.

C'mon, stop snickering. I'm getting to a serious point here.

See, Hilton thought all that personal data was on her cell phone, tucked safely away in her... well, wherever she keeps it. But she was wrong. The data's real home was on T-Mobile's servers. Her Sidekick II phone stored the data there automatically, just as it was designed to.

That arrangement means the data won't be lost if the phone is damaged or the batteries die. But it also means that if anyone were to hack into T-Mobile's servers, they'd have access to whatever Hilton put in her phone: pictures, documents, phone numbers, the works.

And T-Mobile's servers have a history of being hacked. In October 2003, intruders got into T-Mobile's customer databases and acquired passwords and other information that, in turn, let the bad guys access customer accounts. Hilton's account information was reportedly compromised at that time.

So was account information for a hotshot U.S. Secret Service agent, Peter Cavicchia. Cavicchia didn't store the numbers of celebrity friends on his phone—that is, on T-Mobile's servers. He stored material linked to ongoing Secret Service criminal investigations.

According to the New York Daily News, that allowed one or more hackers to access numerous Secret Service documents, including reports, requests for subpoenas and a confidential treaty with Russia.

Cavicchia has since left the Secret Service, which says the security breach didn't compromise any ongoing investigations. And last week 22-year-old Nicholas Jacobson pleaded guilty to the 2003 T-Mobile break-in. He'll be sentenced in May.

Now think: If a Secret Service

agent stored sensitive information on his phone, how many of your users have likely done the same thing? And even if you've warned them to guard their phones carefully, how many have unknowingly stored sensitive company documents or data on a cell phone company's servers, where the only thing standing between that data and hackers is security you have no control over?

You can't protect that information. You don't even know what information is at risk. And your users don't even know it is at risk.

Not snickering now, are you? We're not talking about glitterati inconvenience and embarrassment any more. This is about your job: protecting your company's data.

What can you do? You could ban the use of state-of-the-art cell phones (which won't work). Or you could carefully audit every user's phone account for security (which would add a huge amount of work).

Or you can once again take on the challenge of educating your users. You can explain the risks of storing company data on their phones.

And offer guidance about what data is safest to keep on which phones. And encourage them to consult with IT to keep potential problems to a minimum.

Yes, that's still a big job. It will require educating yourself on cell phone risks, too. But if you can get users to understand what's on the line, maybe you can get them to help you keep that data secure instead of fighting you.

After all, you don't really want to end up like Paris Hilton, do you?

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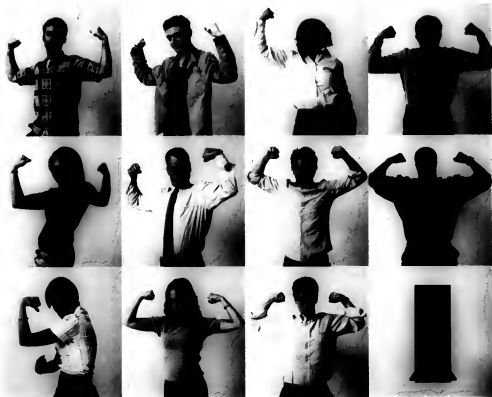
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